



Daily Report

China

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Daily Report

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General

Ministry Approves Visits by Human Rights Groups

HK0907042291 Hong Kong HONGKONG STANDARD
in English 9 Jul 91 p 10

[Text] Beijing: The Justice Ministry has approved upcoming visits by three Western human rights delegations, the first China has ever allowed.

In a rare interview, Vice Justice Minister Jin Jian said dissident Wei Jingsheng, imprisoned for 13 years, remained in solitary confinement. He also said at least 37 people jailed for taking part in the 1989 democracy movement had served their sentences and been released.

Thousands of prodemocracy protesters arrested by Chinese authorities in 1989 were still detained without charge or trial, said Amnesty International in its annual survey of human rights around the world.

"At least 370 prisoners—and probably hundreds more—were sentenced to death and executed after unfair trials," the report said.

Amnesty said it had recorded 750 firing squad executions in China in 1990, "the highest number since 1983".

China on Monday agreed to allow visits by human rights delegations from Australia, France and Switzerland.

The first group, an Australian delegation of eight legislators, scholars and diplomats, is to arrive next week.

However, Zhang Yaochen, vice director of the ministry's foreign affairs department, rejected calling the groups "human rights delegations".

"China does not allow foreign governments to organise individuals to interfere in (China's) internal affairs," Mr Zhang said.

He said the Australians were accompanying Foreign Minister Gareth Evans "to further develop bilateral relations." The French were sending legal scholars "to exchange views on issues of mutual interest, not to engage in so-called human rights investigation".

Liu Huaqiu Addresses Paris Arms Control Talks

OW0807223491 Beijing XINHUA in English
2218 GMT 8 Jul 91

[Text] Paris, July 8 (XINHUA)—Chinese Vice Foreign Minister Liu Huaqiu stated here today arms control in the Middle East should be conducted in an equal, reasonable, comprehensive and balanced way.

Liu, chairman of the Chinese delegation at the conference on arms control in the Middle East by the five permanent U.N. Security Council members, stressed that countries selling large quantities of weapons to the region ought to take special obligations and responsibilities.

Liu outlined the views and propositions of the Chinese Government on arms control in the Middle East in his statement at a closed meeting opened today and is scheduled to close tomorrow.

He said arms control in the region is inseparable from a just and comprehensive political settlement of the Middle East question with the Palestine issue at its heart, emphasizing that "only when the threat of crisis and war is removed will it be possible for the region's countries to beat the swords into ploughshares."

Therefore, said the official, it is necessary to endeavour to bring about the return of the occupied Arab territories and restoration of the legitimate national rights of the Palestinian people in compliance with the relevant U.N. Security Council resolutions while the sovereignty and security of Israel should also be respected and guaranteed.

Liu said an international conference on the Middle East under the auspices and with the participation of the five permanent members of the U.N. Security Council and all the parties concerned should be convened at an appropriate time.

A major part of the weapons sales to the region have come from the developed countries, said the vice minister, citing figures that over 70 percent of arms imports by the Middle East countries between 1985 and 1988 came from the major developed countries, of which the lion's share was taken by just one or two big powers whose annual weapon sales to that region exceed 10 billion U.S. dollars.

Though China has sold some weapons to the region, their quantity and quality are very limited, said Liu, adding that China has all along adopted a responsible and prudent attitude in this regard.

China maintains that the first and foremost thing to do now is for those countries that export large quantities of sophisticated weapons to that region to take a responsible approach and exercise self-restraint in real earnest rather than calling for arms control in the Middle East on the one hand while taking the lead in dumping advanced weapons there on the other, the official said.

Liu said the principle of fair, reasonable, comprehensive and balanced arms control should be adhered to in the Middle East.

He explained that all types of weapons and all countries should be subject to control and the existing equilibrium in the region should be maintained or that the original imbalances should not be further aggravated.

China always stands for complete prohibition and thorough destruction of nuclear, chemical and biological weapons as well as for prevention of the proliferation of such weapons of mass destruction, he said.

To safeguard the world peace and security, China is studying and considering the question of accession to NPT [Nonproliferation Treaty] with a positive attitude.

Liu said, adding that his country is also in favour of the earliest possible conclusion of a convention banning chemical weapons.

China is of the opinion that the military forces of each country should be used only for its self-defense, and no other country should try to attain an armament level beyond reasonable defense needs, said the Chinese official.

He said the legitimate right to self-defense of the Middle East countries, especially those whose territories are still under illegal occupation and whose security is being threatened, should not be compromised and that the right of each country to peaceful uses of nuclear energy and space technology as well as to scientific and technological development should not be deprived of or impeded.

Arms control in the Middle East cannot be separated from that in other regions and indeed from global arms control and it should enhance the regions' security and also the security of other regions and the whole world, said Liu.

He went on to say that disarmament and stability in a global context as well as in other regions will also serve to realise disarmament and stability in the Middle East.

The final settlement of the issue of arms control in the Middle East requires the participation of all the Middle East countries, he said, pointing out that monopolizing the whole affair by a few countries or imposing their will on the others must be prevented.

The vice minister said in conclusion that his government would like to listen to and study the proposals of other delegations, is ready to actively cooperate with them in a common effort to achieve a fair, reasonable, comprehensive and balanced solution to the question of disarmament and arms control in the Middle East.

Soviet Approach Outlined

*OW0907022391 Beijing XINHUA in English
0141 GMT 9 Jul 91*

[Text] Moscow, July 8 (XINHUA)—The Soviet Union intends to take an active part at the first meeting of the five United Nations Security Council permanent member-countries on restrictions of arms sales and their non-proliferation.

The Soviet approach to the meeting, which was opened in Paris today, was spelled out by Foreign Ministry Spokesman Vitaliy Churkin at a briefing here today.

He stressed the importance of joint efforts by the participants to the meeting in finding solutions to the issue.

The joint efforts, according to Churkin, included ensuring the balance of interests, observing the principle of security for the sides, consolidating global security and stability and eradicating the sources of regional tensions.

The Soviet Union proceeds from the expectation that "the meeting will be constructive in nature and it will enable the world community to lay a sound basis for further steps towards restricting arms sales, as well as to gain a better understanding of approaches to non-proliferation," Churkin said.

Liu Huaqiu Meets South Commission President

*OW0507110191 Beijing XINHUA Domestic Service
in Chinese 0214 GMT 3 Jul 91*

[By reporter Shi Guangyao (2457 0342 5069)]

[Text] Geneva, 2 Jul (XINHUA)—Chinese Vice Foreign Minister Liu Huaqiu held talks here today with Julius Nyerere, president of the South Commission and former president of Tanzania, on the issue of South-South cooperation.

During the talks, Nyerere said: Under the current situation, southern countries should make the best use of their resources and marshal all possible forces to conduct economic construction. Developing countries should strengthen unity among themselves and enhance South-South cooperation to the fullest extent.

He expressed delight and gratitude over the Chinese Government's dispatch of a delegation to the upcoming seminar on the report "The Challenge to the South." He said that it is extremely important and significant for China to value the report issued by the South Commission.

Liu Huaqiu said: The South Commission's report is an important document for southern countries to seek ways of development. It reflects the aspirations for peace and development of the people in developing countries. He expressed his belief that the report will have a positive impact on the development of southern countries, South-South cooperation, and the improvement of North-South relations.

Liu Huaqiu indicated that the Chinese leadership is anticipating Nyerere's visit to China in early July and his attendance at the ceremony to launch the Chinese edition of the "The Challenge to the South."

Liu Huaqiu is leading a Chinese delegation to attend a special high-level meeting of the UN Economic and Social Council, which is scheduled to open on 3 July.

Seminar on World Order, South-South Cooperation

Nyerere Presides

*OW0807135691 Beijing XINHUA in English
1258 GMT 8 Jul 91*

[Text] Beijing, July 8 (XINHUA)—A seminar on issues concerning the new world order and South-South cooperation was held here today.

The seminar was jointly sponsored by the South Commission and the China Institute of International Affairs.

Members of the commission and Chinese scholars and experts held heated discussions at the seminar.

Julius K. Nyerere, chairman of the South Commission, presided over the seminar and delivered an important speech.

Meets Jiang Zemin

OW0607135891 Beijing XINHUA in English
1239 GMT 6 Jul 91

[Text] Beijing, July 6 (XINHUA)—General Secretary of the Chinese Communist Party Central Committee Jiang Zemin reaffirmed here this afternoon that China has been all along friend of the South (developing countries).

In his meeting with Julius K. Nyerere, chairman of the South Commission and former President of Tanzania, Jiang stated that China will never invade other countries, nor will it practise hegemonism no matter how powerful it may become in the future.

Nyerere arrived here this afternoon for a visit to China and to attend the launching of the Chinese edition of the "Challenge to the South," a report of the South Commission, at the invitation of the Chinese Government.

According to a Chinese official present at the meeting, Nyerere told Jiang that he was very happy to hold the launching in Beijing, adding that he himself had a keen interest in China.

Jiang called Nyerere an old friend of the Chinese people, who was very familiar with Chinese leaders of the older generation. Jiang sincerely wished the launching success.

He stressed that China sticks to its independent foreign policy of peace, unremittingly opposing hegemonism and power politics.

He said China is striving for a peaceful international situation in order to implement its economic construction, adding that it is impossible to develop the nation's economy in a turbulent situation—which holds true for all countries.

After the meeting, Jiang hosted a dinner in honor of Nyerere and his entourage.

Chinese Report Launched

OW0807135991 Beijing XINHUA in English
1233 GMT 8 Jul 91

[Text] Beijing, July 8 (XINHUA)—The Chinese edition of the South Commission's report entitled "The Challenge to the South" was launched at a special ceremony here today.

Commission Chairman Julius K. Nyerere, who is also the former president of Tanzania, explained the main contents of the report to an audience of some 500 Chinese in the Great Hall of the People.

The report, published last August after three years' work by the South Commission, reviews the history of the development of the countries in the South (developing countries), analyzes their problems and puts forward a development strategy for self-reliance and placing the people at the center.

The report appeals to the developing countries to strengthen South-South cooperation and collective self-reliance, make common efforts to push forward South-North negotiations and strive to build a new international economic order.

The report puts forward the program and a series of formulas to realize these goals.

Nyerere also thanked China for its support to the South Commission's work.

Chinese Vice-Premier Wu Xueqian extended congratulations on the occasion, and described the report as an "outstanding document" outlining the efforts of the Third World countries to explore their road to development, and reflecting the developing countries' strong desire for peace and development.

Wu expressed the conviction that the report will surely have a great and positive impact on the South countries' development and on the South-North dialogue.

Wu said that China, also a developing country, has always supported the other developing countries' just position on reforming the unequal and unfair international economic relations.

The world economy will regain vitality and realize common prosperity only when a new international economic order is established, Wu stressed, adding that the trend of neglecting the South's development problems must be corrected.

Affirming that China supports the many proposals and programs of action put forward by the South Commission, Wu appealed to the developed countries and other parties concerned to give serious consideration to these proposals and programs.

Stressing that China always attaches importance to South-South cooperation, Wu said that fairly good results have been achieved in the multi-form economic and technical cooperation between China and the other developing countries over the past few years.

He said that it is of greater importance to strengthen South-South cooperation today in light of the new changes that have emerged in the world configuration.

"We in China support all the ideas and proposals useful for promoting South-South cooperation, and are ready to join efforts with the other developing countries to explore ways and means to further such cooperation," Wu said.

He also gave Nyerere a copy of the Chinese edition of the report with Chinese Premier Li Peng's signature and inscription praising the report for playing an important role in progressing South-South cooperation.

Nyerere sent Li a copy with his own signature in appreciation of China's commitment to the South's solidarity and cooperation.

Present at the launching ceremony were members of the South Commission, including Carlos Rodriguez, Cuban vice-president of the Council of State and vice-president of the Council of Ministers, representatives of United Nations organizations and foreign diplomatic envoys in Beijing.

Wu hosted a luncheon today in honor of Nyerere and the other guests from the South Commission.

Liu Huaqiu Meets ECOSOC Meeting Chairman

*OW0607041091 Beijing XINHUA in English
0124 GMT 6 Jul 91*

[Text] Geneva, July 5 (XINHUA)—A senior official of the United Nations today highly praised the great successes China has made since it initiated the policies of reform and an open-door to the outside world.

Lakhdar Ibrahim, the chairman of the high-level special meeting of United Nations Economic and Social Council (ECOSOC) and the foreign minister of Algeria, complimented China when he met with Liu Huaqiu, the head of Chinese delegation to the ECOSOC meeting and also China's vice foreign minister.

Ibrahim said that the universally acknowledged achievements of China are heartening.

Concerning Sino-Algerian relations, Ibrahim noted that the two sides have a close, friendly relationship. He also believed that the friendly and cooperative relations between the two countries will develop further.

Western Figures Discuss Aid for USSR

German Chancellor Interviewed
*OW0807033391 Beijing XINHUA in English
0243 GMT 8 Jul 91*

[Text] Bonn, July 7 (XINHUA)—German Chancellor Helmut Kohl will make efforts at the G-7 London summit this month to persuade the major industrialized countries to aid the Soviet Union in carrying out its reform policy.

Kohl's remarks were contained in an interview in Kiev with the newspaper "WELT AM SONNTAG" last Friday, on the way back from his visit to the Soviet Union.

In the interview, which came out today, Kohl said the successful policy of Soviet leader Mikhail Gorbachev

was beneficial to the Soviets, the countries in Eastern Europe and to strengthening world peace and security.

The West would commit a folly if it did not aid the Soviet in its reform, Kohl said. Germany and all the other Western countries should aid the reformists.

The chancellor said he would suggest to the summit that the International Monetary Fund accept the Soviet Union as a liaison member, to be prepared for full membership in the future. Full membership would enable it to get loans from the fund.

Kissinger Reveals Plan

*OW0807063991 Beijing XINHUA in English
0452 GMT 8 Jul 91*

[Text] London, July 7 (XINHUA)—Former United States Secretary of State Henry Kissinger says a group of Soviet economists and Harvard scholars is advocating massive aid to the Soviet Union.

The story, to be published in London's DAILY TELEGRAPH on Tuesday, describes the plan for massive economic aid as "in the air".

Kissinger said they were considering an aid package of anywhere from 25 billion to 35 billion dollars a year, for a period of seven years to help the Soviet economy move towards a market economy.

The joint study group consisted of a former Soviet deputy finance minister and two Harvard scholars.

"Everyone agrees that, under the best of circumstances, the Soviet Union will have to undergo a traumatic period of austerity," he said.

This made it hard to understand the eagerness of the advocates of the "grand bargain" to share responsibility for the trauma, he said.

Kissinger said: "Through all this, the source of funds for the proposed long-term aid remains elusive."

"The United States is constrained by its deficits, Germany by its recently recovered eastern provinces, and Japan by its reluctance to contribute until its territorial dispute with the Soviet Union is settled."

The former secretary of state said the United States was interested, but not as a foundation with charitable objectives.

Soviet Union

Talks on Border Military Force Reduction End
*OW0907021791 Beijing XINHUA in English
0145 GMT 9 Jul 91*

[Text] Beijing, July 9 (XINHUA)—The Chinese and Soviet diplomatic and military experts held their fourth round of talks here between June 14 and July 9 for the

implementation of the agreement between the Chinese and Soviet Governments on mutual reduction of military forces on border areas and the guidance of enhancing trust in the military field.

According to the Foreign Ministry, the talks were held in a friendly, earnest and practical atmosphere. Both sides exchanged views on mapping out related documents for the concrete implementation of the agreement, and agreed to hold the next round of talks in Moscow.

During the talks, Chinese Assistant Foreign Minister Jiang Enzhu and Deputy Chief of General Staff of the Chinese People's Liberation Army General Xu Xin met the Soviet delegation respectively. The Soviet experts also paid a visit to Shenyang and Changchun.

CPSU Secretariat Anniversary Congratulations

HK0807013791 Beijing RENMIN RIBAO in Chinese
2 Jul 91 p 6

[Text] The CPSU Secretariat sent a telegram to the CPC Central Committee to congratulate it on its 70th founding anniversary on 1 July.

The telegram wished the Chinese Communists and all PRC citizens new achievements in socialist construction, a smooth completion of the grandiose program to modernize the country, and continuing progress in the road to reform and renewal.

The telegram expressed the belief that, in line with the spirit of the agreement reached during the high level Sino-Soviet meeting in Moscow in May 1991, the further consolidation of friendly and equal relations between our two countries and our two parties conforms with the interests of the people of our countries and also produces a positive impact on the world situation in terms of global politics. The Soviet Communists intend to continue making their own weighty contributions to boost the potential of good neighborliness, friendship, and cooperation between the people of our two countries.

Qiao Shi Meets Soviet Procurator-General

OW0807132691 Beijing XINHUA in English
1254 GMT 8 Jul 91

[Text] Beijing, July 8 (XINHUA)—Qiao Shi, Standing Committee member of the Political Bureau of the Chinese Communist Party Central Committee, met with N.S. Trubin, Soviet procurator-general, and his party here this afternoon.

Speaking of the achievements resulted from the exchange of visits by top leaders of the two countries in the past two years, Qiao said bilateral contacts and cooperation in all fields have made big progresses, and he hopes the two countries' procuratorial organizations will learn from each other and strengthen cooperation.

Qiao expressed his belief that cooperation between the two biggest socialist countries will be conducive to the stability and development of the world.

Qiao stated he was concerned about the situation in the Soviet Union, and hoped the country will, by relying on the strength of the Soviet Communist Party and people, overcome its difficulties, restore social and political stability, and continue to march on the socialist road in accordance with its domestic conditions.

During the 55-minute meeting, Trubin conveyed to the Chinese leaders regards from Soviet President Mikhail Gorbachev. Qiao also asked Trubin to convey regards from the Chinese leaders to Gorbachev and other Soviet leaders.

Trubin said China enjoys social stability and its economic reform is going on smoothly and has achieved fruitful results.

He noted that China's experience is helpful to all other countries and the profound friendship between the Soviet and Chinese peoples will grow continuously.

Liu Fuzhi, procurator-general of the Chinese Supreme People's Procuratorate, was present at the meeting.

Trubin arrived here July 2.

Kazakhstan President Nazarbayev Visits Xinjiang

HK0907043091 Hong Kong AFP in English 0408 GMT
9 Jul 91

[Text] Beijing, July 9 (AFP)—The president of the Soviet Republic of Kazakhstan began an official visit Tuesday to the neighboring Chinese region of Xinjiang, the Soviet Embassy here said.

President Nursultan Nazarbayev arrived in the Xinjiang capital Urumqi for talks expected to focus on economic and trade cooperation, the embassy said.

Mr. Nazarbayev's delegation would also visit Shenzhen and Guangzhou in the south and stop in Beijing, it said. The delegation was expected to return to the Soviet Union on Saturday.

Xinjiang, in far-west China, is dominated by Muslims including ethnic Kazakhs. Border trade in the region has flourished since 1986, when Beijing and Moscow granted the neighboring regions autonomy in trade.

The chairman of the Xinjiang government, Tomur Dawamat, visited Kazakhstan and Uzbekistan in December last year.

Renewed Violence Reported in Soviet Azerbaijan

OW0907030391 Beijing XINHUA in English
0140 GMT 9 Jul 91

[Text] Moscow, July 8 (XINHUA)—Four people died and 16 others were injured in new clashes between Azeri

police and Armenian nationalists in the troubled Nagorno-Karabakh region of Azerbaijan on Saturday, Soviet Interior Minister Boris Pugo said here Monday.

The clash broke out in three villages in the Geranboy region near the Armenian border when Azeri security forces entered the village for an identity check, Pugo told parliament.

Three Azeri policemen and one Armenian died, while 10 policemen, two members of the KGB intelligence service and four Armenians were wounded, the minister said.

Nagorno-Karabakh is under Azeri administration but its predominantly Armenian population wants to be part of the neighboring Republic of Armenia.

Northeast Asia

Wang Zhen Meets President of Japanese Company

OW0607142191 Beijing XINHUA in English
1213 GMT 6 Jul 91

[Text] Beijing, June 6 (XINHUA)—Wang Zhen, vice-president of China and honorary president of the China-Japan Friendship Association, met with President of Japanese Kodansha Ltd. Noma Sawako and her party at the Great Hall of the People here today.

During the meeting, Wang expressed his appreciation for the contributions made by Kodansha Ltd. to the cultural exchanges between China and Japan.

Wang said that the Japanese nation is a resourceful nation. China and Japan have enjoyed friendly contacts for several thousand years.

Wang recalled that in 1957, when Sino-Japan relations were not normalized, Chairman Mao Zedong and Premier Zhou Enlai sent him to visit Japan at the head of a Chinese agricultural delegation and learn from science and technology of Japan.

"Now, the Sino-Japan relations have become better and better," Wang said. "We should further strengthen the friendly cooperation between the two countries."

The world is now in an eventful period, Wang noted. But the friendly relations between China and Japan date far back to ancient times, and both peoples want peace and friendship. Both peoples wish to contribute to world peace, he added.

Noma Sawako said that China has a civilization of long standing. She pledged to continue her efforts to strengthen the cultural exchanges between the two countries.

Sun Pinghua, president of the China-Japan Friendship Association, attended the meeting.

The Kodansha Ltd is a comprehensive publishing house founded in 1909. Noma Sawako and her party arrived here on July 5 at the invitation of the China-Japan Friendship Association.

Zou Jiahua Meets Japanese Corporation President

OW0607141491 Beijing XINHUA in English
1218 GMT 6 Jul 91

[Text] Beijing, July 6 (XINHUA)—Chinese Vice-Premier Zou Jiahua met with Yoshiro Tateishi, president of the Omron Corporation of Japan, and his party here this afternoon in the Great Hall of the People in downtown Beijing.

The Omron Corporation represents one of the world's most famed producer of industrial electronic components.

Later today, the Japanese corporation held a reception to mark the establishment of the Omron Control Systems (China) Co., Ltd.

Among the guests present at the reception were Chinese trade officials.

Zou Jiahua at Signing of Japanese Survey Funding

HK0607061091 Beijing CHINA DAILY in English
6 Jul 91 p 2

[By staff reporter Yuan Zhou]

[Text] The Japan National Oil Corporation yesterday agreed to provide 8 billion yen (\$58 million) to fund a geological survey in the oil-rich Tarim Basin—a major foreign stake in the future of the Chinese oil industry.

According to an agreement signed in Beijing, the study, to last four-and-a-half years, will cover 30,000 square kilometres in the southwest part of the Tarim Basin of the northwestern Xinjiang Uygur Autonomous Region.

As the data from the investigation will be processed, analyzed and evaluated in Japan, the Japanese will share in the results of the joint effort.

The top Chinese leadership has been emphasizing the "strategic importance" of the exploitation of oil and gas reserves in the Tarim Basin, linking it to the nation's economic and social development over the next decade.

Oil industrialists believe that the Tarim Basin is likely to become the country's next major oil hub to succeed the older fields in East and Northeast China.

In late June, the Bank of China, the country's leading foreign exchange banking arm, signed an agreement with the China National Petroleum Corporation (CNPC) to provide a loan of \$1.2 billion to increase exploitation of the oil reserves in the Tarim Basin.

The first batch of crude oil from the Tarim Basin left for refining in Gansu Province at the beginning of this year.

Japanese sources say that a technical session between the Japanese firm and CNPC will be held to discuss details for the execution of the pact.

A joint team composed of a dozen Japanese specialists and 200 supporting Chinese personnel is expected to start a full-scale survey in March next year.

While prospecting the oil prospecting activities in the area, the Japanese say, they hope the survey will help to consolidate co-operation in the exploitation of oil resources with China.

Vice-Premier Zou Jiahua said at the signing ceremony of the basic agreement that the Chinese Government was throwing its full weight behind the project and wishing it success.

Zou said the agreement would have "very good effects" on future co-operation between Chinese and Japanese oil industrialists.

As two powerful and experienced economic organizations, the Japan National Oil Corporation and CNPC should intensify their co-operation in the future, he said.

Wang Tao, president of CNPC, called on foreign investors to join Chinese efforts to develop its oil resources in southern China under the principle of equality and mutual benefits.

Ding Guangen Meets MONTSAME Delegation

OW0707064891 Beijing XINHUA in English
0621 GMT 7 Jul 91

[Text] Beijing, July 7 (XINHUA)—Ding Guangen, alternate member of the Political Bureau of the Chinese Communist Party (CPC) Central Committee, met a delegation from the MONGOLIAN NATIONAL NEWS AGENCY (MONTSAME) led by Director General Chuluunbat Erdene here today.

Ding, also member of the secretariat of the CPC Central Committee, encouraged MONTSAME to have more exchanges and cooperation with XINHUA NEWS AGENCY.

Ding briefed the visitors on the political and economic situation in China.

Since their arrival on June 28 on XINHUA's invitation, the visitors have toured Beijing, Shanghai, Jinan and Tianjin and are scheduled to leave for home tomorrow.

Peng Chong at Mongolian Revolution Reception

OW0807182991 Beijing XINHUA in English
1437 GMT 7 Jul 91

[Text] Beijing, July 8 (XINHUA)—A reception was held here this evening to mark the 70th anniversary of the Mongolian people's revolution.

The reception was co-sponsored by the Chinese People's Association for Friendship With Foreign Countries and the China-Mongolia Friendship Association (CMFA).

Addressing the reception, President of the CMFA Meng Ying said that the Chinese people are very happy about the great achievements made by the Mongolian people in the past 70 years and sincerely hope they will achieve even greater success in the future.

The Chinese people have always cherished their friendly relations with the people of Mongolia, Meng said.

"We are happy to witness that the relations between the two countries, including political, economic, scientific and technical, cultural and educational relations, have been completely restored and developed thanks to the concerted efforts of both sides, and in particular the successful visit to China by President Punsalmaagiyn Ochirbat last year," he said.

He added that the friendly contacts between the two peoples have been increasing with each passing day.

The smooth development of these friendly relations not only accords with the fundamental interests of the two peoples, he noted, but is of great significance for safeguarding peace and stability in Asia.

H. Oldzboy, Mongolian ambassador to China, said that Mongolia is keen to develop the relations between the two countries in a better and even more stable way on the basis of mutual benefit.

He said that the Mongolian Government and people are convinced that Chinese President Yang Shangkun's coming visit to Mongolia will surely further promote Sino-Mongolian relations.

Vice-Chairman of the National People's Congress Standing Committee Peng Chong, Vice Foreign Minister Xu Dunxin and Mongolian diplomatic officials attended the reception.

Envoy Meets Press on Mongolian National Day

OW0807144191 Beijing XINHUA in English
1407 GMT 8 Jul 91

[Text] Beijing, July 8 (XINHUA)—"We are very satisfied with the development in the past two years and the present stage of the relations between the People's Republic of Mongolia and the People's Republic of China," the Mongolian ambassador to China said here today.

Ambassador H. Oldzboy said this at a press conference held at the Mongolian Embassy to mark the 70th anniversary of the Mongolian people's revolution.

He said that the relations between the two countries in all fields have been restored in recent years. He added that trade between the two countries has also increased in the past two years.

The ambassador said he hoped that the trade between the two sides would be further strengthened and that he is very optimistic about the future of trade between the two countries.

He briefed correspondents on achievements the Mongolian people have made in the past 70 years, and answered the questions which covered the country's reforms and foreign policies.

He said, "We have experienced setbacks, but we have also made great achievements."

The arduous task Mongolia faces now is to deepen its reforms, develop its economy and improve the Mongolian people's living standards, he added.

Chen Junsheng, Delegation Leave for Mongolia

*OW0907063991 Beijing XINHUA in English
0558 GMT 9 Jul 91*

[Text] Beijing, July 9 (XINHUA)—A Chinese Government delegation led by State Councillor Chen Junsheng left here for Ulaanbaatar by plane this morning to attend the celebrations of the 70th anniversary of the people's revolution of Mongolia at the invitation of the government of the Mongolian People's Republic.

Among those seeing the delegation off at the airport was Secretary-General of the State Council Luo Gan.

Southeast Asia & Pacific

Australian Government To Handle Student Refunds

*OW0807151391 Beijing XINHUA in English
1348 GMT 8 Jul 91*

[Text] Beijing, July 8 (XINHUA)—The Australian Embassy in China issued a media release here today, saying that its government is keen to clear up Chinese student refunds.

By late June, it says, more than 4,000 Chinese people had received refunds under an Australian Government "Rescue Plan" for rejected student visa applicants owed money by educational institutions in Australia. "The Australian Embassy in Beijing and the Australian Consulate-General in Shanghai have together received almost 11,000 claims. It is anticipated that all of these claims will be processed by the end of October this year," the release says.

It says: The refund scheme aims to reimburse rejected applicants for student visas who paid advance fees to Australian educational institutions, but have been unsuccessful in obtaining direct refunds.

The release asks people who believe themselves to be eligible for a refund but have not yet applied to do so immediately, and no later than August 31, 1991.

"The Australian Government is keen to have all claims processed and to finalise refunds as quickly as possible," it says.

Protest at Embassy

*HK0907064091 Hong Kong AFP in English 0631 GMT
9 Jul 91*

[Text] Beijing, July 9 (AFP)—More than 20 Chinese students launched a round-the-clock protest at the Australian Embassy here Tuesday to demand the refund of advance tuition fees paid to a bankrupt Australian college.

Raising a banner that read, "Australian cheats pay back," the students demanded that the Australian Government guarantee the return of advance tuition paid to Buckland College, which closed in April in Western Australia.

Su Pengkan, 29, a spokesman for the group, said that at least 130 Chinese had paid 5,000 to 6,000 U.S. dollars each to study business administration and accounting at the college.

The protest had been approved by the Chinese authorities, Mr. Su said.

Embassy spokesman Grant Thompson said there was "clearly no Australian Government responsibility in this case."

"The sentiments of the protestors are misplaced," Mr. Thompson said. "They ought to pursue their claims with the liquidators of Buckland College."

But Mr. Su accused Canberra of taking "an irresponsible attitude" and said many of the students took out loans to pay the tuition and had come from as far away as Fujian and Guangzhou in the southeast.

"We applied for admission and paid fees according to government regulations," Sun Xinwen, 34, said. "If the government doesn't come forward, it will become the behind-the-scene supporters of swindlers."

Mr. Thompson said the case of Buckland College was "a situation quite clearly between private creditors and a private institution."

He added that the students were not covered under a government rescue fund set up in July last year to refund advance tuition fees averaging 4,500 dollars paid by some 10,000 Chinese students to Australian English-training schools.

Those students were left in the cold after Canberra tightened its visa regulations in August 1989 to stem the flood of illegal immigrants from China.

The Australian Government decided to accept some moral responsibility for those students' financial losses because it had changed its visa policy, Mr. Thompson said, adding that applicants to Buckland College had paid advance tuition after being advised not to.

Australian diplomats administering the 50 million Australian dollar (38 million U.S.) rescue fund had received

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nearly 11,000 claims for refunds and expected to finish processing them by the end of October, he said.

Near East & South Asia

XINHUA Coverage of Li Peng's Visit to Jordan

Arrival in Amman

*OW0607190391 Beijing XINHUA Domestic Service
in Chinese 1230 GMT 6 Jul 91*

[By Fu Weijian (4569 5898 1696) and Chen Ruwei (7115 1172 3634)]

[Text] Amman, 6 July (XINHUA)—Chinese Premier Li Peng arrived in Amman from Cairo by special plane at noon today for a two-day official good-will visit to Jordan at the invitation of the Jordanian Government and Prime Minister Tahir al-Masri.

Li Peng's current tour is the first by a Chinese premier to Jordan since China and Jordan established diplomatic relations in 1977.

Today, the Chinese and Jordianian national flags were fluttering at the Amman military airport. At 1132 (1732 Beijing summer time), a special plane carrying Premier Li landed slowly at the airport. After the cabin door opened, Premier Li walked down the ramp vigorously. He and Prime Minister al-Masri, who was waiting on the ramp, warmly embraced and greeted each other. Prime Minister al- Masri expressed a warm welcome upon Premier Li's visit to Jordan. Two lively and lovely Jordanian children respectfully presented bunches of flowers to Premier Li and his wife Zhu Lin.

A grand welcoming ceremony was held at the airport. Accompanied by Prime Minister al-Masri, Premier Li walked to the reviewing stand and accepted the salute from a Jordanian armed forces honor guard. A military band played the Chinese and Jordanian national anthems. Accompanied by al-Masri, Premier Li reviewed the honor guard.

After the ceremony, Premier Li Peng rested in the airport's VIP lounge. Prime Minister al-Masri said to the Chinese premier: "I feel quite honored and pleased to meet you, the first foreign premier I have received since my appointment as prime minister. I am sure your visit will be successful." Li Peng thanked the Jordanian Government for the grand welcome extended him.

Soon afterwards, Premier Li went by car to the "Hashemite Palace" where he was to stay.

Premier Li was accompanied to Jordan by Qian Qichen, state councilor and concurrently foreign minister, and his wife Zhou Hanqiong; Li Lanqing, minister of foreign economic relations and trade; Yuan Mu, director of the State Council Research Office; Gao Di and Yang Dezhong, special assistants to the premier; Liu Zhongli,

deputy secretary general of the State Council; Liu Shuqing, director of the State Council's Office of Foreign Affairs; Yang Fuchang, vice foreign minister, and others.

Premier Li was welcomed at the airport by Jordan's Deputy Prime Minister and concurrently Transport and Communications Minister (Suhaimate), Education Minister (Dashiyate), Planning Minister (Fariz), Information Minister and concurrently Culture Minister al- Karaki, Minister of State for Parliamentary Affairs (Farihate), Minister of State (Halesha), Interior Minister (Sabule), Industry and Trade Minister and concurrently Supply Minister (Lajibu), Health Minister (Abadi), Youth Minister (al-Hidate), and other Jordanian ranking officials and various countries' envoys stationed in Jordan.

Chinese Ambassador to Jordan Zhang Deliang, ranking diplomats from the Chinese Embassy, responsible persons from other Chinese organizations in Jordan, and representatives of overseas Chinese residing in Jordan also welcomed Premier Li Peng at the airport.

Premier Li released a written statement at the airport. He said: "Though China and Jordan are far apart geographically, common interests and goals have closely linked us. Both developing countries, China and Jordan share the same oriental cultural background and similar traditions and face the common task of maintaining peace and promoting development. Since China and Jordan forged diplomatic ties, friendship and cooperation between the two countries have been developing continuously on the basis of the Five Principles of Peaceful Coexistence."

He said: "I come to Jordan for the purpose of enhancing understanding, strengthening Sino-Jordanian friendship, and learning from the friendly Jordanian people. I am looking forward to my meetings with His Majesty King Husayn, Prime Minister al-Masri, and other Jordanian leaders so as to exchange views on bilateral relations and major international issues. It is my firm belief that the development of the amicable relations and cooperation between China and Jordan is not only in the interests of our two peoples, but also conducive to peace and stability in this region and the world as a whole."

Arrival Statement

*OW0607114891 Beijing XINHUA in English
1134 GMT 6 Jul 91*

[Text] Amman, July 6 (XINHUA)—Chinese Premier Li Peng, arriving here today for a two-day official goodwill visit, said he came to Jordan for the purpose of enhancing mutual understanding, strengthening friendship and "learning from the friendly Jordanian people."

The Chinese premier flew in here following his five-day visit to Egypt.

"I am looking forward to my meetings with his majesty King Husayn Bin-Talal, Prime Minister Tahir al-Masri and other Jordanian leaders so as to exchange views on bilateral relations and major international issues," Li

said in a written statement released upon his arrival at the Amman airport late this morning.

Common interests and goals have closely linked China and Jordan together, though they are far apart geographically, he said.

Both developing countries, China and Jordan share the same oriental cultural background and similar traditions, and face the common task of maintaining peace and promoting development, he said.

The friendship and cooperation between the two countries have been developing continuously on the basis of the Five Principles of Peaceful Coexistence, since they forged diplomatic ties, Li said.

"It is my firm belief that the development of the amicable relations and cooperation between China and Jordan is not only in the interests of our two peoples, but also conducive to peace and stability in this region and the world as a whole," he said.

Exchanging greetings with Masri at the airport, the Chinese premier said he expects the visit to further the existing friendly, cooperative relations between China and Jordan.

Masri said he is pleased to meet Li, the first foreign head of government he received after he became prime minister in June.

Meets King Husayn

*OW0607164291 Beijing XINHUA in English
1626 GMT 6 Jul 91*

[Text] Amman, July 6 (XINHUA)—Chinese Premier Li Peng's on-going visit to Jordan will further Sino-Jordanian friendly relations.

That was the shared view in the talks here this afternoon between King Husayn of Jordan and Li Peng, who arrived here earlier today for a two-day official good-will visit.

In the talks, which followed a 25-minute one-to-one session, King Husayn said Jordan and China enjoy a special relationship of mutual trust.

Extending a warm welcome, the Jordanian king said he is confident that Li's visit will surely contribute to the further development of relations between the two countries.

Similarly, Li said the two countries have a long-standing friendship, trusting and supporting each other.

"I believe this visit of mine will further advance the friendly, cooperative relations between our two countries," Li said.

On behalf of Chinese President Yang Shangkun, Li invited King Husayn to visit China at his convenience, and Husayn accepted the invitation.

New World Order Discussed

*OW0607165291 Beijing XINHUA in English
1642 GMT 6 Jul 91*

[Text] Amman, July 6 (XINHUA)—Chinese Premier Li Peng and King Husayn of Jordan called for an early settlement of the Middle East issue during their talks here today.

The two leaders met this afternoon shortly after Li Peng arrived in Amman for a two-day official good-will visit.

They exchanged views and "reached comprehensive agreement" on the issue of new world order, the situation in the Middle East and Gulf, and arms control in the Middle East, according to a Chinese source.

The two leaders believed it is high time to settle the Middle East issue, urging the international community to double its efforts towards an "early, comprehensive, fair and reasonable" solution on the basis of the U.N. Security Council Resolutions 242 and 338 and other resolutions.

Failure to solve the long-overdue problem will not only endanger this region, but will also jeopardize the peace and security of the world as a whole, they said.

They also attached great importance to the issue of arms control in the Middle East, saying that the arms control should follow the principle of comprehensiveness and balance.

On the international situation, King Husayn described the world as being in an imbalanced period, with people all over the world talking about establishing a new world order.

Jordan stands for a new world order based on a fair principle, the king said.

As a big nation with an age-old civilization, China plays an important role on the international arena, he said, adding that Jordan and other countries hope China will play an important part in establishing a new international order.

Li, agreeing with King Husayn, said the world is in a phase when the old pattern is giving way to a new one.

As the international situation remains turbulent, people of the world hope to see a fair and reasonable new world order, which will benefit peace and development, Li said.

Restating China's position, Li said China holds that the new world order should be based on the Five Principles of Peaceful Coexistence.

The world is diversified, with different social systems, religious beliefs and values, he noted. "Therefore, no country should impose its own modes upon others."

Mutual respect for sovereignty and territorial integrity and non-interference in each other's internal affairs form the core of a new international political order, he said.

A new international economic order should be based on equality and mutual benefit so as to promote international contacts and cooperation, he added.

'Extensive' Understanding Reached

OW0707030091 Beijing XINHUA Domestic Service
in Chinese 1617 GMT 6 Jul 91

[“Premier Li Peng and King Husayn Share Views in Talks; by reporters Zhou Shuchun (0719 2885 2504) and Yang Mu (2799 2606)” —XINHUA headline]

[Text] Amman, 6 Jul (XINHUA)—Not long after his arrival in Amman today, Premier of the Chinese State Council Li Peng proceeded to the Raghadan Palace to hold talks with King Husayn Bin-Talal. The two leaders exchanged views on the issue of the new international order, the situation in the Middle East and the Gulf region, and arms control in the Middle East. They reached an extensive common understanding on these questions.

At 1300 (Beijing summer time 1930), when Premier Li Peng arrived at the refined palace, King Husayn, who was waiting outside the door, warmly shook hands with him. The two leaders first held about 25 minutes of face-to-face talks. This was followed by an expanded talk between the two sides.

King Husayn told Premier Li that the Kingdom of Jordan warmly welcomes him on his visit. The king said that he is confident that Li Peng's visit will surely contribute to the further development of relations between the two countries. He said that a special relationship of mutual trust exists between China and Jordan. “I am very pleased with your Excellency's visit.”

Premier Li Peng thanked King Husayn for the warm welcome. He said that China and Jordan have a long-standing friendship, trusting and supporting each other. “I believe this visit of mine will further advance the friendly, cooperative relations between our two countries.”

During the talks, on behalf of President Yang Shangkun, Premier Li Peng invited King Husayn to visit China at his convenience. King Husayn expressed his thanks in this regard and accepted the invitation with pleasure.

Touching on the international situation, King Husayn said that the world is now in a period of imbalance, and people are talking about establishing a new international order. Jordan holds that a new world order should be based on fair principles. He said that as an age-old civilization, China's influence on international affairs is important. Jordan and many other countries hope that China will play an important role in establishing a new international order.

Premier Li Peng expressed his agreement with King Husayn's view that the world is in a period of imbalance. He said that the world is in a phase when the old pattern is giving way to a new one. As the international situation remains turbulent, people of the world ardently hope for the establishment of a fair and reasonable new world order [GONG ZHENG HE LI DI SHI JIE XIN ZHI XU 0361 2973 0678 3810 4104 0013 3954 2450 4442 1645], which will benefit world peace and development.

He said: No country should impose its own modes upon others. Mutual respect for sovereignty and territorial integrity and noninterference in each other's internal affairs form the core of a new international political order. A new international economic order should be based on equality and mutual benefit [PING DENG HU LI 1627 4583 0062 0448] so as to promote international contacts and cooperation.

The two leaders also exchanged views on the Middle East issue, the Gulf situation, and arms control in the Middle East. They reached an extensive common understanding on these questions.

According to a briefing by a Chinese Foreign Ministry spokesman accompanying Premier Li Peng on the visit, both China and Jordan hold that it is high time to settle the Middle East issue and that the international community should redouble its efforts towards an early, comprehensive, fair and reasonable solution of this issue on the basis of UN Security Council resolutions 242 and 338 and other resolutions. Failure to solve the long-overdue problem will not only endanger the peace and security in this region, but will also jeopardize the peace and security of the world as a whole.

The spokesman said that both China and Jordan attach great importance to the issue of arms control in the Middle East and hold that the arms control should follow the principle of comprehensiveness and balance.

After the talks, King Husayn gave a banquet in honor of Premier Li Peng and his party at the palace.

The personnel from the Chinese side attending the banquet were State Councillor and Foreign Minister Qian Qichen, Minister of Foreign Economic Relations and Trade Li Lanqing, and others. The personnel from the Jordanian side attending the banquet were Prime Minister al-Masri, Chief Palace Administrator Bin-Shakir, Foreign Minister al-Nusur, and others.

While Premier Li Peng was holding talks with King Husayn at the palace, Zhu Lin, wife of Premier Li Peng, met with Queen Nur Husayn of Jordan in the palace. The host and guest had a cordial and friendly conversation. Extending a warm welcome to Zhu Lin for accompanying Premier Li Peng on his visit to Jordan, the queen said that she was honored and pleased to be able to receive her here.

Al-Masri Hosts Banquet

*CM0907172691 Beijing XINHUA Domestic Service
in Chinese 2126 GMT 6 Jul 91*

[Text] Amman, 6 Jul (XINHUA)—Jordanian Prime Minister Tahir al-Masri and his wife hosted a grand banquet here this evening in honor of visiting Chinese Premier Li Peng and his wife.

Jordanian Senate President Ahmad 'Abd-al-Karim al-Lozi [name as received], House Speaker 'Abd-al-Latif Arabyat [name as received], chief of royal cabinet al-Sharif Zayd Bin-Shakir and important members of the cabinet were present. Among those on the Chinese side who attended the banquet were all the entourage and working personnel accompanying Premier Li Peng on his visit to the Middle East.

The event followed a luncheon given by King Husayn of Jordan to the Chinese premier, who arrived here from Cairo earlier in the day for a two-day official good-will visit.

Visits Embassy Personnel

*OW0707031691 Beijing XINHUA Domestic Service
in Chinese 2044 GMT 6 Jul 91*

[“Li Peng Calls on Chinese Embassy Personnel in Jordan; by reporters Fu Weijian (4569 5898 1696) and Chen Ruwei (7115 1172 3634)”—XINHUA headline]

[Text] Amman, 6 Jul (XINHUA)—Chinese Premier Li Peng went to the Chinese Embassy on the evening of 6 July to meet with embassy staff, personnel of other Chinese missions stationed in Jordan, and Chinese students studying in Jordan.

During his address, Premier Li Peng briefed them on the domestic and international situation and encouraged them to make new contributions to enhancing the friendship between China and Jordan. Premier Li Peng also shook hands with them and posed for a group picture.

Present on the occasion were Li Peng's wife Zhu Lin; State Councillor and Foreign Minister Qian Qichen; Minister of Foreign Economic Relations and Trade Li Lanqing; Yuan Mu, director of the Research Office under the State Council; and Gao Di and Yang Dezhong, special assistants to the premier.

Spokesman on Weapons Sales

*OW0607173191 Beijing XINHUA in English
1721 GMT 6 Jul 91*

[Text] Amman, July 6 (XINHUA)—A Chinese Foreign Ministry spokesman stated today three principles China abides by on arms sales and attributed arms race in the Middle East to the long overdue Arab-Israeli conflict.

Chinese Foreign Ministry Spokesman Wu Jianmin, who is accompanying Premier Li Peng on a visit here, made the statement at a press conference this afternoon.

In response to questions on “China’s arms sales to the Middle East,” Wu said the arms race in the Middle East results from regional conflicts, primarily the Arab-Israeli conflict which has long been denied a resolution.

Of the weapons sold to the Middle East by various countries, Chinese sales account for only a very small percentage, he said.

On arms sales, he said, China always adopts a very prudent and responsible attitude and abides by the following principles:

- 1) China's arms sales to the buying nation are for the defense purpose;
- 2) China will take it into consideration that the arms sales will not upset the balance of armament in the region;
- 3) China will not interfere in the internal affairs of other countries by using arms sales.

The spokesman urged the major arms sellers in the Middle East to exercise self-restraint.

Referring to the Paris conference of the five permanent members of U.N. Security Council on arms control in the Middle East, Wu said China adopts “a very positive attitude” towards the consultation.

“We will send Deputy Foreign Minister Liu Huaqiu to the meeting,” Wu said, wishing the conference a success.

Li Visits Tomb

*OW0707095191 Beijing XINHUA in English
0859 GMT 7 Jul 91*

[Text] Amman, July 7 (XINHUA)—Chinese Premier Li Peng laid a wreath at the tomb of King Abdallah Ibn Husayn, founder of the Hashemite Kingdom of Jordan, at the royal cemetery this morning.

King Abdallah, who was grandfather of King Husayn, was assassinated in 1951 when he was praying at a mosque in Jerusalem.

Premier Li Peng also laid a wreath at the tomb of King Talal, father of King Husayn.

Press Communique

*OW0707172191 Beijing XINHUA in English
1702 GMT 7 Jul 91*

[Text of Sino-Jordanian Press Communique issued in Amman on 7 July]

[Text] Amman, July 7 (XINHUA)—At the invitation of Prime Minister Tahir al-Masri of the Hashemite Kingdom of Jordan, Premier Li Peng of the People's Republic of China paid an official visit to the Hashemite Kingdom of Jordan from July 6-7, 1991.

During the visit, His Majesty King Husayn Bin-Talal met Premier Li Peng and his entourage and they held long-hour talks on international and regional issues as well as bilateral relations between the two friendly countries.

The Jordanian delegation headed by Prime Minister al-Masri and the Chinese delegation headed by Premier Li Peng also held talks. They fully reviewed the bilateral relations between the two friendly countries and discussed ways to strengthen and develop the ties in various fields.

The two sides expressed satisfaction with the development of the relations between the two countries and approached ways to consolidate and develop the relations, such as undertaking joint projects and strengthening cooperation in economy, trade, culture and other fields.

The foreign ministers of the two countries met and exchanged views on international issues of common concern. The talks proceeded in an atmosphere of traditional friendship. The two sides first discussed and reached consensus of views on the Middle East problems with the Palestine issue at the core. Both sides pointed out that an international Middle East peace conference under the auspices of the United Nations and with the participation of the five permanent members of the U.N. Security Council and other parties concerned should be convened to seek, through peaceful means, a just, comprehensive and lasting solution to the crisis in accordance with U.N. Security Council Resolutions 242 and 338.

The two sides expressed their appreciation for the efforts made by all sides for a peaceful settlement of the crisis in the region. Both sides agreed that it is illegal for Israel to establish settlements for the Jewish immigrants in the occupied Arab territories, which impeded the Middle East peace process and thus creating obstacles toward a peaceful solution to the Middle East issue and aggravated the misery of the Palestinian people.

The two sides appealed for the restoration of the Palestinian people's legitimate rights, including the realization of their self-determination.

Both sides hold that the arms control of all weapons of mass destruction, especially complete prohibition and thorough destruction of nuclear, biological and chemical weapons, should be based on a comprehensive and balanced approach. This principle shall apply to all countries.

The two sides hold the view that the new international order should be established on the basis of the principles of mutual respect for each other's sovereignty and territorial integrity, mutual non-aggression, non-interference in each other's internal affairs, equality and mutual benefit and peaceful coexistence, and that international disputes should be solved through peaceful means in accordance with the United Nations Charter and the norms of international law.

The Jordanian side expressed its appreciation for China's consistent stand of supporting the cause of the Arab people and praised China's constructive role as a permanent member of the U.N. Security Council in solving these problems within the framework of the United Nations.

The Chinese side expressed its appreciation for the role of Jordan under the leadership of His Majesty King Husayn in realizing international and regional peace and security, as well as His Majesty King Husayn's positive and wise efforts to that end.

Premier Li Peng conveyed to King Husayn an invitation from President Yang Shangkun for a visit to China. King Husayn accepted it. The specific date of the visit will be finalized through diplomatic channels.

Premier Li Peng invited Prime Minister Tahir al-Masri to visit China, and the prime minister accepted the invitation and expressed his thanks.

Talks With Al-Masri

OW0707200991 Beijing XINHUA Domestic Service
in Chinese 1310 GMT 7 Jul 91

[By Chen Ruwei (7115 1172 3634) and Fu Weijian (4569 5898 1696)]

[Text] Amman, 7 July (XINHUA)—This morning Chinese Premier Li Peng, currently on an official good-will tour of Jordan, held formal talks with Jordanian Prime Minister Tahir al-Masri in the cabinet meeting hall in the prime minister's mansion. Both sides expressed their willingness to further consolidate and expand existing bilateral relations.

On behalf of the Jordanian Government, Prime Minister al-Masri reiterated his welcome of Premier Li Peng's visit. He said: "Over the past 24 hours, both sides have reached a general [guang fan di 1639 3131 4104] consensus on the questions discussed. The task facing us is to further expand political and economic cooperation between our two countries. Today our two countries will sign a scientific and technological cooperation agreement. This is an important document, which shows that relations between the two countries are developing in depth."

After thanking the Jordanian Government for its warm welcome and lavish hospitality accorded during his visit to Jordan, Premier Li Peng said: "As the prime minister has just said, we share the same and similar positions on the questions discussed."

Premier Li Peng held that Sino-Jordanian relations are very good. He said: "I support the prime minister's wishes to further expand the spheres of political and economic cooperation between our two countries."

Premier Li Peng stressed: "China hopes to develop political relations between our two countries on the basis of the five principles of peaceful coexistence and to

develop and expand economic and scientific and technological cooperation between the two countries on the basis of equality and mutual benefit. This would not only conform to the fundamental interests of the peoples of both of our countries but would also favor the promotion of South-South cooperation."

During the talks, both sides also explored approaches to further expanding economic, scientific, and technological cooperation.

Premier Li Peng invited Prime Minister al-Masri to visit China at an appropriate time. Al-Masri accepted the invitation with pleasure. He said he is looking forward to an early visit to China.

Prime Minister al-Masri congratulated Premier Li Peng on his successful visit to Jordan and wished Premier Li's Middle East tour plain sailing and complete success.

Those attending the talks for the Chinese side included Qian Qichen, state councilor and foreign minister; Li Lanqing, minister of foreign economic relations and trade; Yuan Mu, director of the State Council Research Office; Gao Di and Yang Dezhong, special assistants to the premier; Liu Zhongli, deputy secretary general of the State Council; Liu Shuqing, director of the State Council Foreign Affairs Office; Yang Fuchang, vice foreign minister; and Zhang Deliang, Chinese ambassador to Jordan.

Those attending the talks on Jordan's behalf included Foreign Minister al-Nusur, Planning Minister Fariz, and Industry and Trade Minister and concurrently Supply Minister Lajibu [name as received].

Qian, Nusur Endorse UN Role

CM0907173591 Beijing XINHUA Domestic Service
in Chinese 2155 GMT 6 Jul 91

[Text] Amman, 6 Jul 6 (XINHUA)—Chinese State Councillor and Foreign Minister Qian Qichen restated China's position here today that the United Nations should play an important role in settling the Middle East issue.

Qian, who is accompanying Premier Li Peng on a visit here, met with his Jordanian counterpart Abdallah Nusur here this afternoon for talks on arms control in the Middle East and other issues. The talks between the two foreign ministers were held in a "friendly and sincere [cheng zhi 6134 2304] atmosphere," said a Chinese Foreign Ministry spokesman accompanying Qian Qichen on the visit.

Nusur, referring to Li Peng's statement on China's position on Mideast arms control at a press conference in Cairo Friday, said Jordan welcomes China's stance.

A just and durable peace in the Middle East represents the goal Jordan seeks after, Nusur said, adding his country has all along been committed to a resolution of

the Middle East problem because the Middle East region is very unstable and people are worried about when another war will break out.

The "land for peace" principle was initiated by Jordan, he said.

Jordan hopes the international community will actively promote the Middle East peace process and China will play an important role in the process, he said.

Qian said the settlement of the Middle East issue will not only benefit the region, but also be conducive to the peace and stability in the whole world, he said, as the Middle East issue is the regional conflict that has lasted the longest in the history since World War II.

Among many U.N. resolutions on the Middle East issue, Qian cited the U.N. Security Council Resolutions 242 and 338 as the basis for the settlement. Therefore, the United Nations should play an important role in the process of finding a solution for the Middle East issue.

China stands for the convocation of an international conference at an appropriate time, with the participation of the five permanent members of the U.N. Security Council to seek a final resolution, he added. Meanwhile, "we also support all bilateral or multilateral efforts conducive to a comprehensive, just, and reasonable solution of the Middle East issue."

Qian voiced China's appreciation for Jordan's principled, flexible and practical stance on the Middle East issue.

Also, he said, under the present situation, it is important for the Arab nations to "remove differences, strengthen unity and speak with one voice."

China supports the efforts taken by the Arab League in this regard, he said.

Al-Nusur extended a warm welcome to Qian Qichen's third visit to Jordan at the beginning of their talks. Qian Qichen said this showed the extent of relations enjoyed by the two countries.

Al-Nusur said: The Jordanian-Chinese relations established on the basis of mutual trust and mutual respect have enjoyed very smooth development. The leaders of the two countries have exchanged mutual visits frequently. Jordan is very satisfied with the steady development of relations between the two countries and hopes both sides will promote further development of this kind of relationship.

Qian Qichen pointed out the purpose of Premier Li Peng's visit to the Middle East this time is to promote "peace, friendship, and cooperation." China and Jordan have enjoyed rapid development of their relations since establishment of diplomatic ties in 1977. There is only friendship and cooperation and no conflict of interests between the two countries.

In the talks, the two foreign ministers spoke highly of Sino-Jordanian relations, hoping for greater expansion of the bilateral ties.

Local Press Interviews Qian

OW0707180491 Beijing XINHUA in English
1742 GMT 7 Jul 91

[Text] The Dead Sea, Jordan, July 7 (XINHUA)—Chinese Foreign Minister Qian Qichen today called on the international community to exert more powerful pressure on Israel to make it change its present die-hard policy on Middle East problems.

Qian made the call in his interview with the local press before the Chinese delegation led by Premier Li Peng concludes its two-day visit to Jordan.

Qian said "the international community should make joint efforts to press Israel to take a flexible and constructive attitude" towards the regional problems.

"China holds that the setting up of settlements on the occupied Arab land is unfavorable for the solution to the Middle East issue," he said, adding that "such an act has increased obstacles to the Middle East peace process."

Qian stressed that the settlement of the Middle East issue has become a task which brooks no delay.

"I think it is high time to settle the Middle East issue," the foreign minister said.

"That does not mean that all parties concerned have reached consensus of opinions, but rather, all sides realized that chaos or conflicts in the region, where several wars have been fought since the Second World War, threatens not only peace in the region but also peace and security in the world at large," Qian explained.

The foreign minister reiterated China's support for all efforts conducive to promoting the peace process in the region.

He said the Palestine issue, which is the core of the Middle East problem, should be solved in accordance with United Nations Resolutions 242 and 338. Israel should withdraw from the Arab land it has been occupying, while Israel's sovereignty and security should also be guaranteed, he said.

He pointed out that a final settlement of the Middle East problem depends upon an international peace conference under the auspices of the United Nations and with the participation of the five permanent members of the Security Council (Britain, China, France, the United States and the Soviet Union) and other parties concerned.

Qian stressed that China values Jordan's role in the peace process of the region. He said Jordan's role is

crucial because of its geographical location and its relations with the Palestine state. China very much appreciates King Husayn's role and position in solving the Middle East problem, he added.

The foreign minister told reporters that Chinese Premier Li Peng's visit to Jordan, though brief, was very "fruitful."

S&T Accord Signed

OW0707094791 Beijing XINHUA in English
0912 GMT 7 Jul 91

[Text] Amman, July 7 (XINHUA)—China and Jordan signed here today an agreement on cooperation in science and technology [S&T] between the two countries for the next five years.

It is the first such an accord between the two countries since they established diplomatic relations on April 7, 1977.

"The signing of the agreement marks that the realm of cooperation between the two countries has widened—from traditional political, economic, cultural and sport fields to scientific and technological ones," Chinese sources told XINHUA.

The document was signed by Li Lan Qing, minister of China's Foreign Economic Relations, and Ziad Fariz, Jordan's Minister of Planning.

Present at the grand signing ceremony were Chinese Premier Li Peng and Jordanian Prime Minister Tahir al-Masri.

According to both Chinese and Jordanian sources, the agreement was designed to help both countries make progress in scientific, technological, social and economic fields on the basis of equality and mutual benefit.

Under the document, both sides will dispatch experts to explore potential research and development projects, exchange any useful information as well as share achievements in common scientific research.

Further on S&T Accord

OW0707100691 Beijing XINHUA in English
0952 GMT 7 Jul 91

[Text] Amman, July 7 (XINHUA)—Experts from China and Jordan signed here today a protocol on bilateral cooperation in the science and technology for 1991-1992.

A five-year agreement on such cooperation was signed here by the two governments on the same day.

Under the six-point protocol, the two countries will exchange visits of experts to identify research and development projects of mutual benefit and interest in 1991 and 1992.

The document calls for cooperation in agriculture, water conservancy, energy, environment, medical treatment and mining industry.

However, specific projects of cooperation will not be identified until experts from the two countries visit each other's country.

The two countries will also exchange information helpful to their scientific cooperation.

China has extended an invitation to a Jordanian scientific delegation, to be headed by Dr. A. Toukan, secretary general of Jordan's Higher Council for Science and Technology, for a 10-day visit to China. In addition, China has expressed welcome for Jordanian technical personnel to take training courses in China. Jordan is reportedly interested in the proposed training courses.

Li Departs for Iran

*OW0707164891 Beijing XINHUA in English
1625 GMT 7 Jul 91*

[Text] Amman, July 7 (XINHUA)—Chinese Premier Li Peng left here today for Iran after a two-day official and friendly visit to Jordan, which Chinese foreign minister described as "fruitful".

Speaking to reporters at Dead Sea Hotel, Jordan, an hour before leaving for Tehran, Foreign Minister Qian Qichen said that "though Premier Li's visit to Jordan is a brief one, it is fruitful."

Qian, who is accompanying the premier on his current six-nation Middle East trip, said that China and Jordan have identical or similar views on all topics discussed during the talks between leaders of the two countries in the last two days.

During his stay here, the Chinese premier held talks with King Husayn, Prime Minister Tahir al-Masri and other Jordanian senior government officials on the international situation, the Middle East issue and bilateral ties.

Jordan is the second leg of Li's 13-day, six-nation Middle East tour which has already taken him to Egypt and will take him to Iran, Saudi Arabia, Syria and Kuwait.

Al-Masri Praises Visit

*OW0807011191 Beijing XINHUA Domestic Service
in Chinese 2100 GMT 7 Jul 91*

[Jordanian Prime Minister Says Li Peng's Visit To Jordan Is 'Very Successful'; By Fu Weijian (4569 5898 1696) and Chen Ruwei (7115 1172 3634)—XINHUA headline]

[Text] Amman, 7 Jul (XINHUA)—Jordanian Prime Minister Tahir al-Masri said today that Chinese Premier Li Peng's visit to Jordan was "very successful."

Al-Masri said this to XINHUA reporters at the Amman Military Airport after seeing Premier Li Peng off.

He said "Premier Li's two-day visit to Jordan made us very happy." He pointed out: The exchange of visits by

senior leaders of the two countries will promote Jordanian-Chinese cooperation in various fields.

Concerning international circumstances and Middle East situation, al-Masri said: The positions of China and Jordan are basically identical in this respect. He pointed out: "China's stand on Middle East issues is explicit. We appreciate it and consider it an important factor in supporting Jordanian and Arab viewpoints in the international arena."

In answer to a question as to whether there is any new plan for resolving Middle East issues, al-Masri said: Plans for resolving these issues are known to all, that is, carrying out Resolutions 242 and 338 adopted by the United Nations Security Council and the principle of "land for peace" as well as giving autonomous rights to the Palestinian people.

In response to a question on how he appraises current international efforts for peace in the Middle East, al-Masri said "At present, little progress has been made in the peace process. This does not mean efforts have failed. However, the progress is certainly extremely slow mainly because Israel insists on its stubborn position and refuses to carry out the United nations' resolutions."

On bilateral relations, Prime Minister al-Masri said "In order to improve trade and economic cooperation, we will take measures, possibly initiating some Jordanian-Chinese joint projects."

Column Outlines Mideast Arms Sales Policy

*HK0807085591 Hong Kong HSIN WAN PAO
in Chinese 8 Jul 91 p 1*

[“Political Talk” column: “China Abides by Three Principles in Sale of Weapons”]

[Text] The question of the Chinese Government's position on its sales of arms and weapons has been put to Chinese Premier Li Peng at several press conferences during his current visit to six African and Middle East countries. This is connected with the fact that the United States has, in the course of handling the issue of granting China most-favored-nation status, repeatedly mentioned China's selling weapons and equipment to Pakistan and Syria.

Chinese Foreign Ministry spokesman Wu Jianmin, who is accompanying Li Peng during the current visit, talked about this issue and China's view and position in three aspects in answering Jordanian and foreign reporters' questions at a press conference in Amman, Jordan's capital.

The three aspects are: First, what accounts for the arms race in the Middle East region; second, what is the amount of Chinese weapons sold to that region; and third, China's position on the sale of weapons. Probably

it is because Jordan is Syria's neighbor that it would be more effective for Wu Jianmin to make his statement while visiting Jordan.

What accounts for the phenomenon of an arms race in the Middle East region lies in the conflicts in that region, the long-term Arab-Israeli conflict in particular. During Li Peng's current visit to the Middle East region he has aired his views on finding a solution to the Arab-Israeli conflict; this new trend embodies China's understanding on the Middle East situation.

Wu Jianmin said that in the sale of weapons by various countries to the Middle East region, China's volume accounts for a very small proportion. Although Wu was not more specific, foreign reports show that the volume of Chinese weapons in the Middle East region ranks fifth among other foreign weapons. The whole world has a very clear picture as to the sources of weapons surfacing in the recent Gulf War.

Then Wu Jianmin mentioned China's several principles for the sale of weapons. That is to say, China will continue to sell weapons to the Middle East region and will not stop doing so according to the demands of some people in the United States. The reason is very simple, and Li Peng explained China's position at the press conference in Cairo.

When a reporter asked: "The United States shows great concern about China's selling guided missiles to some countries: What is your view on that?" Li Peng answered: It is universally known that the United States is the largest weapons-exporting country; perhaps you should show greater concern about how the United States sells its weapons to other countries. As to China, it will follow the principle of comprehensiveness and balance and take an active part in the Paris Arms Control Conference, and hopes for its success.

Comprehensiveness means arms control should be practiced in all countries but not discriminately, with arms control exercised in some while being relaxed in others. Balance means that existing imbalances should not be aggravated, and by no means should new imbalances be created. These two points seem aimed at the United States.

China's principles for the sale of weapons are threefold, as expounded in Wu Jianmin's statement: First, the sale of weapons is aimed at helping the importing countries in their self-defense; second, consideration should be given to maintaining regional balance in the sale of weapons; and third, refraining from intervening in other countries' internal affairs in the sale of weapons.

The United States often openly criticizes other countries; however, it seldom conducts introspection. In conclusion, Wu Jianmin said: We hope that those countries selling numerous weapons to the Middle East region will adopt an attitude of restraint. Obviously, this is a compliment returned to the United States, which always shows special consideration to Israel.

Delegation Holds Bangladesh Flood Control Talks

OW0507183291 Beijing XINHUA in English
1510 GMT 5 Jul 91

[Text] Dhaka, July 5 (XINHUA)—Bangladesh and China today began a three-day high level meeting here on flood control and river training of the Brahmaputra.

Chinese Vice-Minister of Water Resources and Electric Power Wang Shouqiang, who arrived here Thursday, is leading a delegation to the meeting while the Bangladesh team is headed by M.A. Malik, secretary of the Ministry of Irrigation, Water Development and Flood Control.

The meeting is to review, approve and adopt the study report on a flood control and river training project on the Brahmaputra in Bangladesh prepared by a joint team of Chinese and Bangladesh experts with financial and technical assistance from China.

The Brahmaputra River, which rises in China's Tibet, is a major creator of frequent floods in Bangladesh.

The meeting, which lasted about five hours today spread over two sessions, will continue Saturday and Sunday.

The Chinese vice-minister will call on Prime Minister Khaleda Zia and Minister for Irrigation, Water Development and Flood Control Majidul Haq before leaving for home on July 8.

Discusses Cooperation

OW0607143191 Beijing XINHUA in English
1231 GMT 6 Jul 91

[Text] Dhaka, July 6 (XINHUA)—Chinese Vice-Minister for Water Resources Wang Shouqiang had a meeting with Bangladesh Minister of Agriculture, Irrigation, Water Development and Flood Control Majedul Haq here today.

They discussed long-term Bangladesh-China technical cooperation for effective implementation of the water development and river training program in Bangladesh as recommended in the joint study report prepared by a joint team of Bangladesh and Chinese experts with financial and technical aid from China.

The minister stressed greater cooperation between the River Research Institute at Faridpur, west of Dhaka, and the River Research Institute of China.

Programs on training and research activities between the two institutes will increase knowledge and expertise of Bangladesh engineers and river experts which might lead to a proper solution of Bangladesh river training, water development, flood control and river erosion problems, he added.

Signs Flood Accord

*OW0707175791 Beijing XINHUA in English
1612 GMT 7 Jul 91*

[Text] Dhaka, July 7 (XINHUA)—Bangladesh and China here today signed an agreement on joint research and model studies to provide effective support towards implementation of the projects on flood control, river training and harnessing water resources in Bangladesh.

The agreement was signed on the concluding day of the three-day meeting between the two countries for scientific and technological cooperation between the River Research Institute of Bangladesh and the Institute of Water Conservancy and Hydroelectric Power Research of China.

The Bangladesh side was headed by M.A. Malik, secretary of Ministry of Irrigation, Water Development and Flood Control, while the Chinese team was led by Wang Shouqiang, vice minister of water resources and electric power, in the talks.

The meeting reviewed, approved and adopted the study report on flood control and river training project on the Brahmaputra River in Bangladesh prepared by the Bangladesh-China expert team. The two team leaders presented to Prime Minister Khaleda Zia the study report here yesterday.

The meeting discussed continuation of current Bangladesh-China cooperation on flood control, river training and harnessing of water resources in Bangladesh under an institutional framework.

The Chinese side agreed to consider the Bangladesh proposal for establishment of a Bangladesh-China joint technical advisory committee to promote the long-term cooperation between the two countries in this area.

Departs for Home

*OW0807183291 Beijing XINHUA in English
1425 GMT 8 Jul 91*

[Text] Dhaka, July 8 (XINHUA)—A nine-member Chinese water expert team led by Wang Shouqiang, vice-minister for water resources, left here for home today.

The team, which arrived here on July 4 for a five-day visit, signed Sunday an agreement on joint research and model studies to provide effective support towards implementation of projects on flood control, river training and harnessing water resources in Bangladesh at the end of a three-day meeting between the two sides.

The agreement was signed for scientific and technological collaboration between the River Research Institute in Bangladesh and the Institute of Water Conservancy and Hydroelectric Power Research in China.

The agreement was signed on the basis of a joint review on the Brahmaputra River in Bangladesh prepared by the Bangladesh-China water expert team.

East Europe**RENMIN RIBAO Studies Yugoslav Situation**

*HK0907041691 Beijing RENMIN RIBAO in Chinese
4 Jul 91 p 7*

[“Roundup” by Zhang Jian (1728 0256): “Yugoslavia Threatened by Split”]

[Text] Slovenia and Croatia, two of the constituent republics of Yugoslavia, have recently declared “independence,” which the Yugoslav Federal Government has pronounced “illegitimate.” Consequently, armed conflict has broken out between the two sides, and the tense situation inside Yugoslavia escalates with each passing day. Presently, Yugoslavia is facing a civil war and is threatened by a split.

The executive bodies of the Yugoslav republics of Slovenia and Croatia overwhelmingly adopted declarations of independence on the night of 25 June. At dawn the next morning, the Yugoslav Federal Government issued a statement in the wake of an emergency session, pronouncing that the unilateral Slovene and Croat declarations were “illegitimate and void.” In the wake of this, the Yugoslav Federal People’s Army was attacked by Slovene forces in the execution of an order to take over border controls and customs posts along the Italian, Austrian, and Hungarian borders around Slovenia. The conflict between the two sides led to 43 deaths and 84 wounded. On the morning of 28 June, the Yugoslav Federal Government held a meeting, at which it was decided to demand an immediate cease-fire in all parts of the country to find a solution to the national crisis by peaceful and democratic means. On that very afternoon, the Federal Ministry of Defense and the Slovene Executive Council reached a cease-fire accord effective from 2100 [local time] which seemed to bring a better turn to a dangerous situation which had been continuously escalating for two consecutive days. Then, leaders from Serbia, Croatia, and Slovenia reached an accord with an “EEC Peace Mission” at dawn on 29 June: A cease-fire between all sides concerned in the conflict to become effective the very same day; the republics of Croatia and Slovenia would temporarily suspend their decisions on “secession” from Yugoslavia; and the chairman and vice chairman of the Presidium of the Socialist Federal Republic of Yugoslavia (SFRY) would be elected. However, Slovene units continued to set up roadblocks and attack the Yugoslav People’s Army inside Slovenia. Consequently, on the evening of 29 June, the Yugoslav armed forces’ supreme command issued an ultimatum to Slovene leaders, demanding they observe the cease-fire accord; otherwise, the Yugoslav People’s Army would resort to “resolute military action.” Nevertheless, the Slovene Executive Council rejected the ultimatum at dawn on 30 June, thus the relaxed situation was once again touch and go. On 30 June, Prime Minister Ante Markovic of Yugoslavia arrived in person in Slovenia seeking peace. At midnight that day, after 48-hours of

emergency consultations, the SFRY Presidium pronounced that Stipe Mesic, the delegate from the Republic of Croatia had been elected president, and Banka Kostic, the delegate from Crna Gora, its vice president. Thus the 45-day vacancy crisis for the leadership of the Yugoslav state concluded. An enlarged session of the SFRY Presidium was held the next day at which a six-point resolution was adopted, including a demand for all sides to promptly and unconditionally cease all armed actions to insure the normal operation of federal organs. However, conflict continued in many places inside Slovene territory. On 3 July, Mesic and the Slovene Executive Council reached another ceasefire accord, effective from 2100 on the same day. However, all signs show that a basic turn for the better in the situation is still not on the horizon.

The Socialist Federal Republic of Yugoslavia is a multi-national country founded in 1945 under the leadership of the League of Communists of Yugoslavia (LCY.) In the 1970's, Yugoslavia conducted structural reform of the party and government leadership, and instituted a closely knit collective and rotating leadership, which stipulated that the presidential offices of SFRY Presidium and the LCY Central Committee Presidium be taken by delegates from various republics and autonomous provinces on a rotating basis, with a one-year tenure, and that President Tito be Yugoslav President for life. At that time the federal government's power was greatly decentralized, but due to Tito's personal prestige the structure was operational. In the wake of Tito's death in 1980, the replacement of powers that he was allotted was conducted in accordance with the stipulations of the Constitution. However, the state leaders have too short a tenure and it is beyond them to resolve any major issues and to establish their prestige and reputations at home and abroad. This has greatly reduced the function and role of the already weakened federal government. In addition, with worsening domestic political and economic situations, nationality contradictions have become more acute with each passing day. At the core of the Yugoslav leadership, LCY leading members now work for each of their own republic's interests, and the contradictions and conflicts between various republics and autonomous provinces are directly reflected in the top echelon of LCY leadership; consequently, the emergency 14th LCY Congress convoked in January 1990 broke up in discord. In its wake, Leagues of Communists in various republics were reorganized, one after another, with great changes in their programs and principles. In reality, the LCY has disintegrated already. At the same time, political parties of various categories have surfaced. Since last year, a situation of coexistence of various forms of government has surfaced as the various republics and autonomous provinces successively organized multiparty general elections: The League of Communists of Crna Gora and the Socialist Party of Serbia, a reorganization of the former League of Communists, won general elections in Crna Gora and Serbia respectively, and they have continued to adhere to socialist orientation and the federal state structure. In Slovenia

and Croatia, the opposition defeated the League of Communists and founded two noncommunist governments in Yugoslavia, the first of their kind since World War II. Their constitutions were revised as soon as the new governments took office, with the word "socialist" being deleted from the names of their republics, while they advocated the implementation of capitalism and demanded that the Yugoslav federal system change to a confederation system.

The nationalist political parties of Slovenia and Croatia have taken an active part in planning their independence since they took office and have organized their own armed forces. The SFRY Presidium issued an order earlier this year to disband "illegal military organizations" in 10 days; an order, however, which was not carried out to the letter. At the same time, 600,000 Serbs on Croatian territory proclaimed secession from the republic, and founded the Krajina Autonomous Region, which became a constituent part of Serbia and the Socialist Federal Republic of Yugoslavia early this year under circumstances in which Croatia had repeatedly expressed its desire for "independence." This action sparked off armed conflicts between Serbs and Croats. To pacify them, the SFRY Presidium had to resort to armed force. Owing to the aggravated contradictions between various republics, the original election scheduled for last May failed to materialize according to plan. Consequently, the SFRY Presidium was paralyzed. Since then, Slovenia and Croatia have drifted further away on the road to separation and eventually proclaimed their "independence" on 25 June.

Presently, the international community is showing great anxiety about the dangers of separation and civil war confronting Yugoslavia. One after another, the United Nations and some other international organizations, as well as regional groups, have expressed their support for Yugoslav unity and territorial integrity, while calling for a peaceful settlement of the disputes.

XINHUA Notes Continued Tension in Yugoslavia

OW0307171591 Beijing XINHUA in English
1501 GMT 3 Jul 91

[Text] Belgrade, July 3 (XINHUA)—The situation in Yugoslavia's Slovenian Republic is still tense as scattered fighting continues in the republic.

Information Minister Jelko Kacin, of the Slovenian Republic, claimed at a press conference this morning that Slovenia was ready to observe a ceasefire.

He said armed conflicts were going on in Slovenia, and Slovenian troops were in a clash with a Federal People's Army armoured reinforcement unit.

Yugoslav TANJUG NEWS AGENCY reported today that a large column of the People's Army armored vehicles and other reinforcements were moving towards Slovenia from Zagreb, the capital of Croatia.

The People's Army has not yet responded officially to Tuesday's ceasefire offer from the Slovenian side.

However, General Blagoje Adzic, chief of staff of the People's Army, declared last night that it was too late for a truce, and the People's Army would rather accept the war imposed on it.

He said the People's Army had suffered heavy losses, but it would make all efforts to put an early end to the war and force the other side to observe the ceasefire agreed upon on June 30.

Slovenian Police Control Borders

OW0407043391 Beijing XINHUA in English
0203 GMT 4 Jul 91

[Text] Belgrade, July 4 (XINHUA)—Slovenia's policemen are controlling all frontier crossings in the republic's border with Italy, Austria and Hungary, the TANJUG News Agency quoted Slovenian Information Minister Jelko Kacin as saying Wednesday.

Kacin told a news conference in Ljubljana that there are no federal army units at frontier crossings, TANJUG said.

Asked under whose sovereignty the frontier crossings are, Kacin replied, "Slovene flags are flying over all of them," TANJUG reported.

Negotiations are taking place between military delegations of the Yugoslav People's Army and the Slovenian territorial forces, Kacin announced late Wednesday.

Bosnia-Hercegovina Urges Peace

OW0407043691 Beijing XINHUA in English
0203 GMT 4 Jul 91

[Text] Belgrade, July 3 (XINHUA)—The Presidency of the Yugoslav Republic of Bosnia-Hercegovina, the republican parliament and government called today in a joint statement for peace in the country, the Yugoslav TANJUG NEWS AGENCY reported.

"We are demanding that all provisions of the agreement reached with the representatives of the European Community should be realized unfailingly and at once," the joint statement said.

The statement supported measures by the federal government in stopping hostilities in Slovenia and all other conflicts in the country.

It urged the Slovenian authorities to guarantee the lives of citizens of Bosnia-Herzegovina and their freedom to travel and to return to their homes, as well as to allow relatives and friends to visit conscripts serving in the Yugoslav Army in Slovenia, TANJUG said.

"We are demanding in particular detailed information about wounded and captured soldiers," the statement said.

The situation in Slovenia is still tense as scattered fighting continues in the republic, but negotiation between the delegations of Slovenia and the Yugoslav People's Army is taking place tonight on terms of a ceasefire, according to Jelko Kacin, information minister of the Slovenian republic.

New Slovenian Cease-Fire Accord

OW0407232591 Beijing XINHUA in English
1709 GMT 4 Jul 91

[Text] Belgrade, July 4 (XINHUA)—Yugoslav Prime Minister Ante Markovic told reporters here this afternoon that a new accord on ceasefire in Slovenia was reached this morning.

Speaking at a press conference, Markovic said the accord also included "separating the units of the Yugoslav People's Army and Slovenia's armed forces," and "not blocking the army units and release of POWs."

The majority of the Yugoslav Armed Forces was in the barracks now, the prime minister added.

He noted, however, no agreement was reached on the control of borders. The Slovenian side insisted that the issue be a political one and should be settled at the highest level of the Yugoslav leadership.

Markovic also disclosed to reporters that the Yugoslav state presidency, in its capacity as the supreme commander of the armed forces, had opened a session to discuss "inter-ethnic tensions, especially in Slovenia," and possible cooperation with the European Community and the Conference on Security and Cooperation in Europe in settling the Yugoslav crisis.

Meanwhile, according to Yugoslav TANJUG NEWS AGENCY, Slovenian Information Minister Jelko Kacin stressed that "the war in Slovenia was not over." "It is only a question of ceasing of conflicts. Our goal is to attain truce which would be verified by a document to be signed by both sides," he added.

He even claimed that "this was a conflict between two states, and not a civil war."

Milosevic Urges War-Preparedness

OW0707034591 Beijing XINHUA in English
0120 GMT 7 Jul 91

[Text] Belgrade, July 6 (XINHUA)—Serbian President Slobodan Milosevic today called on the people of Serbia, the largest of Yugoslavia's six republics, to be ready for war for the defense of their country.

He also said Yugoslavia could progress better without "those who have decided to leave it"—an apparent reference to the breakaway republics of Slovenia and Croatia.

Speaking in a statement to Belgrade television, Milosevic stressed that there exists a "threat of a war which could be much bigger than the one being waged on Yugoslav soil now."

Serbia cannot protect itself from a war to which it could be exposed if it is not ready for that war, that is to say, if it is asleep in the conviction that it cannot take place, the Serbian leader said.

He pointed out that Serbia's readiness should be expressed first within the Yugoslav Army, and then within its own armed forces, the Serbian Territorial Defense Troops, which, he said, are "bigger, better equipped and better trained than those of similar forces in other republics."

Serbia maintains that all conflicts in Yugoslavia—even the most pronounced ones, which concern secession by some of its nations or republics—can be settled in a peaceful manner, Milosevic noted.

The Serbian president said "given the current war threats which are hanging over our country, the Yugoslav People's Army must be in the territories which are populated by peoples committed to living in Yugoslavia together and in peace."

"We can tell them in advance that we shall not endanger their security, as the Serbian people have throughout their history never waged wars of conquest, but have always been victorious when fighting for their own freedom," said Milosevic.

Observers here note that the Serbian leader made the remarks at a time when a bloody conflict has been intensified between the Yugoslav People's Army and Slovenians since Slovenia and Croatia declared independence on June 25.

Kadijevic on Slovenian Intentions

OW0707040491 Beijing XINHUA in English
0336 GMT 7 Jul 91

[Text] Belgrade, July 6 (XINHUA)—Yugoslav defense minister, General Veljko Kadijevic, said declaration of independence by Slovenian leaders was not only designed to break away from Yugoslavia but also to cross out the whole country from the world map.

In his first public remarks since the start of hostilities between the Army and Slovenian defense forces on June 27, the defense minister said Yugoslavia would be sucked into the vortex of civil war if the country's system was changed on the basis of political fait accompli and unilateral action.

When facing the critical moment, two proposals were put forward to the Yugoslav People's Army: Look on the collapse of the country or seize power.

However, the People's Army prudently entered the regions of crisis and firmly abode by the constitution and law, the general explained in a state-run Belgrade television and radio broadcast.

He pointed out that the Army's action has temporarily eased the critical situation and prevented bloodshed in the areas, adding that the Army's efforts have not been thoroughly understood and supported.

Kadijevic stressed that the Army did not plan to seize power, but wanted to ensure stable conditions for negotiations between political leaders on settling the future of the six-republic federation, from which the Slovenian and Croatian republics declared independence on June 25.

He said the Army could have mounted an offensive to bring Slovenia to its knees, but chose not to do so to avoid bloodshed.

Since the leadership of Slovenia is ignoring the decision made by the Presidency on Thursday and the attacks on the Army have continued, the high command will, in response, propose appropriate measures to the federal Presidency, the general added.

Leaders Agree to Peace Declaration

OW0807043691 Beijing XINHUA in English
0332 GMT 8 Jul 91

[Text] Belgrade, July 8 (XINHUA)—Federal Yugoslav Leaders and delegates of Slovenia and Croatia agreed in principle today on a declaration for a peaceful resolution to the Yugoslav crisis.

The agreement was reached in Brioni, Yugoslavia, after 16 hours of talks under the mediation of the European Community (EC) mission.

The four-point declaration called for urgent talks on all aspects of the future of Yugoslavia, without any conditions. It said only the people of Yugoslavia could decide their future.

It said the Federal Presidency must have firm control over Yugoslavia's armed forces, and urged all sides in the conflict to be restrained and to avoid unilateral moves.

The federal Yugoslav authorities and leaders of Slovenia and Croatia also agreed that Slovenian police remain in control of border posts and act in accordance with the federal legislation. Custom dues would remain part of federal revenues.

The official Yugoslav news agency TANJUG said the agreement was just the first step, though not yet a big step, towards peacefully resolving the crisis.

President of the Federal Yugoslav Presidency Stjepan Mesic said the declaration had generated more hope for peacefully resolving the bloody conflict, which flared up after Slovenia and Croatia unilaterally declared independence last month.

The EC mission, made up of foreign ministers of Luxembourg, the Netherlands and Portugal, arrived in Yugoslavia last Saturday. It was the third time in a week that an EC mission has visited Yugoslavia for a mediation task.

CSCE Meets on Crisis

*OW0307183791 Beijing XINHUA in English
1656 GMT 3 Jul 91*

[Text] Prague, July 3 (XINHUA)—Representatives from 35 member countries of the Conference on Security and Cooperation in Europe (CSCE) urgently met here today searching for a solution to the Yugoslav crisis.

Czechoslovak President Vaclav Havel appealed to the meeting to send observer teams to Yugoslavia at the request of Slovenia.

The president said at the meeting, now being held in the Cernin Palace, that his country supports the proposals put forward by the EC countries for a ceasefire, withdrawal of troops and settling the conflict through peaceful means.

The meeting, which is expected to conclude on Thursday, was held at the request of 12 EC countries.

According to the decision adopted in the recent Berlin meeting of the CSCE, whenever an important incident happens which threatens the security and stability of Europe, the representatives of the CSCE member countries may hold urgent meetings at the request of at least 12 countries.

Dienstbier on CSCE Policy

*OW0407043491 Beijing XINHUA in English
0204 GMT 4 Jul 91*

[Text] Prague, July 3 (XINHUA)—Czechoslovak Foreign Minister Jiri Dienstbier said here today that the only specific proposal raised at the on-going meeting of the Conference on Security and Cooperation in Europe (CSCE) is to dispatch an observer mission to Yugoslavia.

The meeting, attended by representatives from 35 CSCE member-states, issued a statement, calling on all parties involved in the conflicts in Yugoslavia to immediately end fighting.

Dienstbier told reporters that the current principal problem is whether the Yugoslav Government is really in control of the situation in the country.

Meanwhile, he disclosed that a Yugoslav representative to the meeting has stressed that the Yugoslav Government is able to control the Army.

In spite of its support for the CSCE appeal, however, Yugoslavia has not indicated whether it will accept an observer mission.

Ambassador John Maresca, head of the U.S. delegation to the meeting, strongly urged Yugoslavia to receive the mission, saying his country hopes all parties involved in the fighting will negotiate.

Yugoslav Deputy Foreign Minister Novak Pribicevic said the Yugoslav delegation to the meeting has to know the position of the federal government before it makes any decision.

NATO Deployment Not Ruled Out

*OW0407103791 Beijing XINHUA in English
0322 GMT 4 Jul 91*

[Text] Brussels, July 3 (XINHUA)—NATO Secretary-General Manfred Woerner said here today that NATO would not rule out the possibility of dispatching its rapid-reaction forces to Italy if the crisis in neighboring Yugoslavia spills over to the NATO member country.

Woerner, after a meeting with visiting Polish President Lech Walesa, told reporters that the deployment of NATO rapid-reaction forces is likely to be taken if it is agreed upon unanimously by all of the 16 NATO member states.

There have been fightings and casualties in Yugoslavia since the northwestern Republics of Slovenia and Croatia declared independence on June 26. Although a truce was called for, there were still sporadic fightings between federal troops and Slovenia's militias.

During a meeting with Walesa at the NATO Headquarters, Woerner said stability in Eastern Europe is vital to security in the whole of Europe.

"Never will our alliance's concerns be confined only to the security and well-being of our members; security is indivisible," he said.

Walesa, now here for a one-day visit, also held talks with the ambassadors of NATO member states on future European security and the strengthening of cooperation between Poland and NATO.

Addressing a press conference today, Walesa said European security faces new challenges after the Warsaw Pact military alliance was dissolved Monday after 36 years of existence.

Earlier, the Polish president delivered a prepared speech at the NATO Headquarters, in which he appealed for closer ties between the Western alliance and East European countries, the Soviet Union in particular, to ensure Europe's stability.

"We wish for one Europe. The Soviet Union has its place in it; without the USSR's participation, it is impossible to have a lasting solution to the issue of peace and security on our continent," Walesa said.

NATO Chief Urges Cease-Fire

OW0407012191 Beijing XINHUA in English
0037 GMT 4 Jul 91

[Text] Brussels, July 3 (XINHUA)—Secretary General of the North Atlantic Treaty Organization (NATO) Manfred Woerner appealed here today for an immediate cease-fire between Yugoslav Government troops and the local armed forces in Slovenia which is demanding independence.

After a meeting with Polish President Lech Walesa, who is on a visit to NATO Headquarters, Woerner told a press conference that NATO is quite concerned about the grave situation in Yugoslavia.

NATO would support any appeals to the two warring sides in Yugoslavia for a cease-fire, he said.

The use of military means cannot reach the goal of stabilizing the country, he said.

U.S.-EC Joint Statement

OW0407005691 Beijing XINHUA in English
0005 GMT 4 Jul 91

[Text] Washington, July 3 (XINHUA)—The United States and the European Community (EC) today issued a joint call for immediate halt to fightings between Yugoslav Federal Army and breakaway republics.

"We call for an immediate halt to the violence, military forces to return to their barracks immediately, and an immediate ceasefire," said a U.S.-EC statement.

"We would support international observers going into Yugoslavia to monitor such a cease-fire," the statement said.

It urged "all leaders in Yugoslavia to exert maximum influence on armed forces of any kind throughout Yugoslavia and to refrain from the use of force or from provocative acts," in order to provide a cooling-off period and to permit negotiations in the country.

The joint statement was issued in the names of U.S. Secretary James Baker and Hans van den Broek, foreign minister of the Netherlands which is currently holding the EC Presidency and Frans Andriessen, vice president of the Commission of the European Communities. The EC officials were in Washington to discuss the Yugoslav crisis.

Baker, after his meeting with the EC officials, told reporters that the United States and the West European countries might cut off all assistance and arms shipment to Yugoslavia if the violence there is to continue.

Gorbachev Message Conveyed

OW0707074991 Beijing XINHUA in English
0625 GMT 7 Jul 91

[Text] Belgrade, July 6 (XINHUA)—President Mikhail Gorbachev said the Soviet Union "supports a united and integral Yugoslavia," whose "future should be left to the decision of the nationalities composing the country."

The Soviet president's remarks came in a message conveyed to Yugoslav Prime Minister Ante Markovic today by Soviet Deputy Foreign Minister Yuli Kvitsiskiy said here today.

According to Kvitsiskiy, who arrived here today as Soviet president's special envoy, Gorbachev is critical of those Western countries who have shifted to showing sympathy for Slovenia and Croatia from their previous position of supporting an integral Yugoslavia.

The Soviet Union objects to any attempts to internationalize the Yugoslav crisis or to hold a U.N. Security Council meeting on the crisis, the special envoy said.

He stressed that the Soviet president has special concern for the development of the situation in Yugoslavia because it may affect the situation in the Soviet Union.

Markovic told Kvitsiskiy that he hopes the international community will help prevent external interference in his country's internal affairs and let the people of Yugoslavia solve their own problems.

The Soviet envoy is expected to meet Yugoslav Federal President Stjepan Mesic in Croatia on Sunday.

Kvitsiskiy Supports Unity

OW0907055791 Beijing XINHUA in English
0156 GMT 9 Jul 91

[Text] Belgrade, July 8 (XINHUA)—The visiting special envoy of Soviet President Mikhail Gorbachev, Yuliy Kvitsiskiy stressed today that the Soviet Union will firmly and continuously support the unity of Yugoslavia.

During his second round of talks with Yugoslav Foreign Minister Budimir Loncar, Kvitsiskiy, who is also the Soviet first deputy foreign minister, said he believed, after his talks with Yugoslav leaders, that Soviet support for Yugoslavia's unity and territory integrity was of importance.

The Soviet Union expected that Yugoslavia could settle domestic issues through peaceful and democratic ways, the Soviet official added.

Loncar spoke highly of the statement issued by Soviet President Gorbachev on the support of the unity of Yugoslavia.

The two sides agreed that the worsening disintegration and the tendency for separation in some European multi-ethnic countries was posing a grave threat to the security and peace of Europe.

Kvitsinskiy, who ended his three-day visit today, also held talks with Yugoslav Prime Minister Ante Markovic, Serbian President Slobodan Milosevic, President of Presidium of Yugoslavia Stjepan Mesic and Slovenian President Milan Kacan.

Bessmertnykh Favors Unity

*OW0807214691 Beijing XINHUA in English
1821 GMT 8 Jul 91*

[Text] Moscow, July 8 (XINHUA)—Soviet Foreign Minister Aleksandr Bessmertnykh, in his first public remarks on the situation in Yugoslavia, said today that his country is in favor of a unified Yugoslavia.

"To the Soviet Union, the best solution is that Yugoslavia remains an integrated country," Bessmertnykh said at a press conference after talks with visiting Spanish Foreign Minister Francisco Fernandez-Ordonez.

The Soviet foreign minister was quoted as saying "we hope Yugoslavia will solve its problems in the way that suits the Yugoslav people," and added, "we are coordinating with all European nations in regard to the situation in Yugoslavia."

Bessmertnykh said that he had written to the foreign ministers of the United States, France, Britain, Germany, Spain, Italy as well as the states bordering Yugoslavia to elucidate the Soviet stand toward the future of the troubled Balkan country.

The Soviet Foreign Ministry is also keeping in close contact with the leaders of Yugoslav republics, he said.

Churkin Stresses Noninterference

*OW0907064391 Beijing XINHUA in English
0551 GMT 9 Jul 91*

[Text] Moscow, July 8 (XINHUA)—The Soviet Union is making vigorous efforts with other countries to normalize the situation in Yugoslavia, and stresses the principle of noninterference in the internal affairs of others, says Soviet Foreign Ministry Spokesman Vitaliy Churkin.

Churkin was speaking at a briefing in Moscow today.

He said the documents adopted at the extraordinary meeting of the senior officials of the Conference for Security and Cooperation in Europe (CSCE) on the Yugoslav situation had an important meaning.

He noted that all the documents calling for a ceasefire in Yugoslavia and strict adherence to the principle of nonuse of force were adopted with the agreement of Yugoslavia. The decision to send a good services mission to Yugoslavia was made also at the invitation of the Yugoslav authorities.

In this context, the Soviet side particularly stressed the Helsinki principle of noninterference in internal affairs,

which was created at the Berlin meeting of the CSCE Council of Foreign Ministers, the spokesman said.

"Therefore," Churkin continued, "the situation and the character of decisions made in Prague could not be viewed as a general precedent for the future."

Protest Lodged With Austria

*OW0807032591 Beijing XINHUA in English
0206 GMT 8 Jul 91*

[Text] Belgrade, July 7 (XINHUA)—The Yugoslav Government today lodged a strong protest with Austria for allegedly making "rough interference" in Yugoslavia's internal affairs.

The protest was made when Deputy Foreign Minister Dusan Rodic summoned Austrian Ambassador Walter Siegl in Belgrade to an interview.

Rodic told Siegl that Austria's policy and stance over the Yugoslav situation were encouraging separatists to destroy the territorial integrity and sovereignty of Yugoslavia, and this was rough interference in its internal affairs.

Rodic claimed the Austrian authorities had also launched a campaign in the country against the territorial integrity of Yugoslavia, and were saying that Yugoslavia had begun to collapse and no longer existed as a nation.

These moves have revived some dangerous and old-fashioned beliefs, such as the one that Austria always had "special ethnic interests" in Slovenia and Croatia, said Rodic. He expressed surprise at Austria's neglect of historical lessons known to all.

The Yugoslav Government has also protested in recent days to Austria about direct or indirect shipments of weapons to Slovenia and Croatia.

Since the fighting began in Yugoslavia after the two republics declared independence later last month, Austria has reportedly reinforced its armed forces along the Yugoslav-Austrian border and kept touch with Slovenian armed units.

It is also reported that the Austrian authorities had made diplomatic efforts to persuade other nations to recognize the independence of Slovenia and Croatia.

Rodic said that Austria's moves had gone beyond the scope of a "neutral state", and ran counter to the United Nations Charter and principles of the Conference on Security and Cooperation in Europe.

Austria Rejects Accusations

*OW0907064891 Beijing XINHUA in English
0514 GMT 9 Jul 91*

[Text] Vienna, July 8 (XINHUA)—Austrian Federal Chancellor Franz Vranitzky said today that the question of recognizing Slovenia and Croatia was, for his Government, an open option with no simple solutions.

Vranitzky made the remark in parliament, prior to a debate on Yugoslavia's crisis.

He rejected the accusations brought by Yugoslavia, and some other European circles, that Austrian policy on Yugoslavia amounted to "a nostalgic revival" of the days long gone.

Slovenia and Croatia were colonies of the Austro-Hungarian Empire for several centuries. After the empire's fall during the First World War in 1918, they voluntarily entered the state of the South Slavs, the Kingdom of Serbs, Croats, and Slovenes.

Political & Social**Peng Zhen Addresses Symposium on Yanan Spirit**

*HK0607053091 Beijing RENMIN RIBAO in Chinese
2 Jul 91 p 4*

[Report by reporter Chen Weiwei (7115 4850 0251): "Symposium on Yanan Spirit Opens in Beijing, Peng Zhen's Important Speech Relayed"]

[Text] Beijing, 1 Jul (RENMIN RIBAO)—The first symposium on the theory and practice of the Yanan spirit opened in Beijing today amid the joyous celebration of the 70th founding anniversary of the CPC.

First, the symposium relayed the contents of an important meeting held recently between Peng Zhen, honorary chairman of the China Institute of Research of the Yanan Spirit, and other elderly comrades of the institute. Comrade Peng Zhen solemnly stated: Never forget that our revolutionary fruit of today was obtained through the sacrifice of 20 million martyrs. We should defend our socialist red banner and never let it fall. Our party, our army, and our people have been tempered through long years of hard struggle, hence, we are full of confidence. But we should never be careless. First, we should uphold the party constitution; and second, we should uphold the constitution. We should always hold high the banner of Marxism-Leninism-Mao Zedong Thought, persist in the socialist road, and courageously advance toward the communist society.

Ma Wenrui, CPPCC [Chinese People's Political Consultative Conference] vice chairman and president of the China Institute of Research of the Yanan Spirit, gave the opening remarks.

It was learned that the symposium will integrate the study of Comrade Jiang Zemin's 1 July speech and study as well as explore ways to promote the Yanan spirit both in theory and in practice under the new period. Several dozens of theses were received by the symposium.

Qiao Shi Article Marks Party Anniversary

*OW0407021691 Beijing XINHUA in English
0205 GMT 4 Jul 91*

[Text] Beijing, July 4 (XINHUA)—Qiao Shi, member of the Standing Committee of the Political Bureau of the Central Committee of the Communist Party of China (CPC), has published an article on party-building to mark the 70th anniversary of the founding of the CPC.

The title of the article is "Build the Party Into a Firm Leading Core for the Socialist Cause With Chinese Characteristics," today's "PEOPLE'S DAILY" [RENMIN RIBAO] said.

Qiao Shi, also president of the Central Party School, said in the article that the party now shoulders very important historic responsibilities as China's socialist construction has entered a new and critical stage.

He said: "We must adhere to the party's ideological line of seeking truth from facts" and the mass line that the party has always advocated.

In the article, Qiao Shi pointed out that seeking truth from facts is the party's most important historical experience and also the basic realistic question that it is faced with now. It must also continue to combine Marxism-Leninism with Chinese realities and open up the road of revolution and construction with Chinese characteristics.

Qiao Shi stressed that seeking truth from facts is inseparable from the party's mass line. All party members and cadres must acquire a world outlook of serving the people wholeheartedly, subject themselves to the supervision of the masses and listen carefully to the people's appeals to improve their work.

Qiao Shi said, "Only when we work for the benefit of the people, improve socialist culture and morality and the economic level, and consolidate the people's democratic dictatorship can we enjoy the people's support and remain invincible so as to foil subversive attempts by international hostile powers."

Jiang Leadership, Deng's 'Cat Theory' Studied

*HK0307145691 Beijing ZHONGGUO XINWEN SHE
in English 1427 GMT 3 Jul 91*

[“Deng Xiaoping's New 'Cat' Theory”—ZHONGGUO XINWEN SHE headline]

[Text] Beijing, July 3 (CNS)—It is now two years since Jiang Zemin was handpicked by Deng Xiaoping as the core of the third generation of leaders of the Communist Party of China (CPC). As the Communist Party's General Secretary, he made a long speech on the occasion of the 70th anniversary of the founding of the Chinese Communist Party. Apart from making an appraisal of the party's history, he looked back over the work done during the past two years and outlined future policy. It could be said that the most critical moment for the actual arrangements concerning the long-brewing handover of power to the third generation leadership had now come.

Since the convening of the National People's Congress this spring, there has been a clear increase in Jiang Zemin's activities involving state affairs and meeting foreign heads of state and government leaders. This indicates first of all the unshakable basic principle that "the party leads everything". This also shows that Jiang Zemin's position and role in the political arena are further consolidated and made more authoritative. It is understood that he will visit South America this September. Earlier, he visited the Soviet Union, an indication that he is already taking part in diplomatic dealings with major foreign countries. It can be expected that he, as leader of the third generation, will become an active international-style statesman in the international political arena in the future and he may be more acceptable to Western countries in his dealings with them.

Although Deng Xiaoping resigned from all important positions inside and outside the party, as the general architect of China's reform and open-door policy and as a party member, he will still naturally show concern regarding the party's current major policies. He recently pointed out that "the modernization of socialist construction is of paramount political importance at this time. Whether our policies and actual work are correct and good depend on whether or not they are beneficial to the development of productive forces. Those beneficial to the development of productive forces are considered correct and those not beneficial are incorrect and worthless."

This view is similar to his previous pre-Cultural Revolution dictum that "it is not important whether a cat is black or white so long as it catches mice", with the stress on "testing by practice" as the sole criterion. It is with this in mind that some people described this view as the new "cat" theory of the modernization of construction. This can be considered Deng's most distinctive decision-making ideology.

Deng's still very clear-minded strategic consideration is vividly revealed in a series of decisions made recently by the CPC, ranging from the "Proposal for the Ten Year Programme and the Eighth Five-Year Plan" approved by the Seventh Plenary Session of the Central Committee of the CPC, demanding the enlarging of the weight of reform, the promotion of Zhou Jiahua and Zhu Rongji as Deputy Premiers by the National People's Congress this spring, the proposal for the "Industrialization of High Technology" during the national work conference of the "Eight-Six-Three Plan", the "Two Steps Plan" for cross-straits reunification by first promoting economic and cultural exchanges and realizing the "three communications" then negotiations for reunification, the 24-word basic strategy for handling international relations and affairs: "Observe calmly, stand firmly, handle composedly, behave unexposedly and never take the lead", and the development of the "basic line" of the 14th Congress of the CPC to the abolishing of the Central Advisory Commission and full-scale transferring of power to the younger generation.

Deng believed that at the present time there was still the problem of people having unliberated minds which hindered the progress of reform.

Mr Li Ruihuan, interpreting what having an unliberated mind exactly meant, summarized it in seven points:

1. The equating of the development of the socialist commodity economy and market regulation with capitalism.
2. Being over-cautious and worried about the utilization of foreign capital and seeing it as in opposition to self-reliance. There are those who are even afraid that by utilizing foreign capital, sovereignty will be surrendered.
3. The setting of improvement and rectification against the deepening of reform and daring not to uphold the effective methods used in the past, causing a revival of egalitarianism and eating from the "same big pot".

4. Some people, especially at the managerial level of enterprises, would rather be small "owners" and "bosses" than to do great things.
5. Being content with "taking small steps but moving every year, achieving very little but attaining every year".
6. Setting the principle of having steady, stable and coordinated economic development against the possibility and urgency of having things done, resulting in a work style of taking it easy and not seriously.
7. In analyzing the situation, only seeing the unfavorable factors while being blind to the favorable factors and being unable to take the subjective initiative to convert unfavourable factors into favorable ones so as to overcome any difficulties and move ahead.

The CPC's third leadership generation with Jiang Zemin as its core will take bolder steps forward in the future under the guidance of Deng Xiaoping's new "cat" theory.

Leaders Visit Site of First Party Congress

OW0507140791 Shanghai People's Radio Network
in Mandarin 0900 GMT 1 Jul 91

[By reporter (Chen Jiezhang); from the "News and Weather" program]

[Text] The former site of the first CPC National Congress on Xingye Road became a bustling spot today for commemorating the 70th founding anniversary of the Chinese Communist Party. People from all walks of life came here in an endless stream from morning until night.

Visiting this site in the morning were responsible persons of the Shanghai municipal CPC Committee, the municipal advisory commission, the municipal discipline inspection commission, the Standing Committee of the municipal people's congress, the municipal government, and the municipal committee of the Chinese People's Political Consultative Conference; some veteran comrades; and responsible persons of the PLA [People's Liberation Army] units in Shanghai, democratic parties, and people's organizations in the municipality. After visiting the former site of the first CPC National Congress, Wu Bangguo, Huang Ju, Chen Zhili, Ni Hongfu, Chen Tiedi, Zhang Dinghong, Mao Jingquan, Zhao Qizheng, Wang Liping, Chen Guodong, Wang Daohan, Ye Gongqi, and Xie Xide went into the exhibition room in the company of responsible persons of the exhibition room. The leading comrades visited an exhibition on deeds of outstanding Communist Party members in the new period, which was held in the exhibition room of the first CPC National Congress Memorial Hall. On display were more than 400 real objects, records, and pictures depicting the deeds of 12 outstanding Communist Party members who have emerged on various fronts after the reform and opening up drive started in Shanghai—namely, (Zeng Le), (Bao Qifan), (Chen Shizong), (Zhang Peizhu), (Xiong Yonglin), (Yang Huaiaren), (Liu Haisan), (Zhou Jinliang), (Zhao Guixi), (Yang Huaiyuan), (Ma

Guining), and (Zhu Wanxuan). Wu Bangguo, Huang Ju, and the other comrades looked at the exhibits carefully and shook hands cordially with the nine outstanding party members who were on the spot. The leading comrades praised them as real heroes among the masses.

Veteran Leaders View Anniversary Exhibit

OW0707133991 Beijing XINHUA Domestic Service in Chinese 1046 GMT 5 Jul 91

[By RENMIN RIBAO reporter Xu Yunping (1776 6663 1627) and XINHUA reporter Qu Zhihong (2575 1807 4767)]

[Excerpts] Beijing, 5 Jul (XINHUA)—This morning, some 500 veteran comrades from the Central Advisory Commission, the National People's Congress, the National Committee of the Chinese People's Political Consultative Conference [CPPCC], and the Beijing Municipal Advisory Commission, People's Congress, and CPPCC Committee, including Song Renqiong, Wang Ping, Ni Zhifu, Wang Guangying, and Ma Wenrui, came to the Museum of the Chinese Revolution to view the "Exhibition in Commemoration of the 70th Anniversary of the CPC Founding". [passage omitted]

Many veteran comrades praised the exhibition for reflecting history in an objective, comprehensive, and truthful manner. According to sources, over 50,000 visitors from all walks of life have viewed the exhibition since its opening on 25 June.

Chi Haotian Attends Chemical Industry Show

OW0307094791 Beijing XINHUA Domestic Service in Chinese 1329 GMT 2 Jul 91

[Text] Beijing, 2 Jul (XINHUA)—The Ministry of Chemical Industry presented theatrical performances at the small auditorium of the Great Hall of the People in Beijing this evening to commemorate the 70th anniversary of the CPC's founding, eulogize the party's tremendous accomplishments, and display the phenomenal success achieved by the chemical industry under the party's leadership.

Comrades Hong Xuezhi, Gu Mu, and Chi Haotian watched the performances and delivered congratulations on their success.

According to Comrade Gu Xiulan, minister of chemical industry, the performances were carefully selected from over 400 excellent shows staged by chemical industrial workers and staff members on performance tours throughout the nation. Most of the entertainers came from the production and construction frontline of the chemical industry. The performances captured fully the mental outlook of the broad ranks of cadres, workers, and staff members on the chemical industrial front as well as the ethos of the times. They also conveyed profound regards to the party from its children in the chemical industry.

Ni Zhifu on Strengthening Party Leadership

HK0507094091 Beijing RENMIN RIBAO in Chinese 28 Jun 91 p 2

[Article by Ni Zhifu (0242 1807 4395), president of the All-China Federation of Trade Unions and vice chairman of the National People's Congress (NPC) Standing Committee: "Party Leadership Is Guarantee for Victorious Advancement of Workers' Movement"]

[Text] After reviewing the history of the growth and development of China's workers' movement on the occasion of commemorating the 70th anniversary of the founding of the great CPC, we deeply understand that only under the party's leadership can China's trade unions and workers' movement advance victoriously in a correct orientation and can they become an important part of the cause of revolution and construction led by the party and play an increasing role.

Upholding Party Leadership Is a Glorious Tradition of China's Workers' Movement and Trade Unions

The CPC is an outcome of the combination of Marxism-Leninism and the workers' movement. Upholding party leadership and the Marxist policy on workers' movement is a glorious tradition of China's trade unions and workers' movement.

In China, the modern workers' movement started during the May 4th Movement period in 1919. The first resolution adopted by the CPC on its founding in July 1921 clearly pointed out that one of the party's fundamental tasks was to organize the trade unions and develop the workers' movement. In August of the same year, the China Labor Organization Secretariat, which was the earliest organization to lead the nationwide workers' movement, was established. On 1 May 1925, in the upsurge of the workers' movement, the All-China Federation of Trade Unions was established. Under the party's firm leadership, an upsurge of the workers' movement was set off during the first revolutionary civil war, which dealt a heavy blow to the imperialist forces and the reactionary warlords. After the 1927 "12 April" counterrevolutionary coup, the Chinese workers' movement was cruelly suppressed by the reactionary forces and was at an ebb tide. However, under the party's firm leadership, the workers' movement rapidly developed in the revolutionary bases. In accordance with the party's correct policy, the trade unions in the White areas reorganized their strength and set off one upsurge after another in the workers' movement. They made great contributions to the victory of the Chinese revolution.

Adhere to the Party Policy on the Workers' Movement Under the Conditions of Socialism

New China's founding enabled the working class to become the master of their country. Of the main laws promulgated by the people's government in 1950, there was a "PRC Law on Trade Unions," which encouraged and supported the masses of workers to organize trade

unions according to the law. The trade unions played an important role in the democratic transformation, the "movement against the three and five evils," the socialist transformation of the capitalist industry and commerce, and the large-scale economic construction. However, as trade union work in a socialist country was a new subject for us, there have been disputes over certain important theoretical problems concerning this work since the founding of the state. Trade union work was once criticized and trade unions were forced to cease their activities during the 10 years of upheaval. Trade union work thus suffered setbacks. After the Third Plenary Session of the 11th CPC Central Committee, the party Central Committee, with Comrade Deng Xiaoping as the nucleus, readopted the ideological line of "emancipating the mind and seeking truth from facts." Under the party Central Committee's leadership, things which had been thrown into disorder, which concerned some important theoretical problems and the right and wrong in past trade union work, were corrected, and trade union work was resumed and developed very quickly. In accordance with the demands of the development of socialist construction in the new period and the demand of reform and opening up, reform has been carried out in trade unions and big progress has been achieved in strengthening trade union construction. By adhering to the four cardinal principles, the trade unions have withstood the severe tests in socialist construction.

Since the Fourth Plenary Session of the 13th CPC Central Committee, the party Central Committee, with Comrade Jiang Zemin as the nucleus, has reiterated again and again the fundamental guiding policy of wholeheartedly relying on the working class. In his important speech delivered in July 1989 at the third enlarged meeting of the 11th All-China Federation of Trade Unions Presidium, Comrade Jiang Zemin further explained the fundamental guiding ideology for trade union work. Later, in line with the guideline of this speech, the party Central Committee summed up both positive and negative experiences since the founding of the state and promulgated the "CPC Central Committee Circular on Strengthening and Improving Party Leadership Over Trade Unions, the Chinese Youth League, and Women's Federations." This is a programmatic document guiding trade union work.

After studying the spirit of the party Central Committee "circular," we understood more clearly that in order to successfully carry out trade union work under the conditions of socialism, it is necessary to attach great importance to and correctly handle the relationships in three major fields.

First, it is necessary to continue to put the trade unions under party leadership while encouraging them to carry out their work independently. The party is the vanguard of the working class. Only the party can use its Marxist foresight and its line, policies, and principles to guide the workers' movement and trade union work to advance along a correct road and to realize the workers' fundamental interests and fulfill the working class' historical

mission. Therefore, all trade union cadres, especially the leading cadres at all levels, must have a strong sense of party organization and firmly and conscientiously accept party leadership. The trade unions must always maintain a high degree of unanimity with the party Central Committee in political and ideological affairs and in action; conscientiously implement the party's line, policies, and principles; and carry out their work around the party's central tasks. Under no circumstances should they change the correct orientation or take an ambiguous stand. At the same time, as the trade unions are also the working class's most extensive mass organizations, all trade union cadres must also acquire a firm mass viewpoint. They must be responsible to the party and the people and must do a good job to meet the demands of both the party and the masses of workers. They must carry out their work independently and in a creative way and must absorb as many workers as possible to take part in their activities so that the broad masses of workers can be closely united around the party through their work.

Second, it is necessary to continue to take economic construction as the central task while giving full play to the trade unions' various social functions. Taking economic construction as the central task is a demand of the party basic line, a demand of consolidating and developing China's socialist system, and a pressing demand of the broad masses of workers. Therefore, trade union work should not be separated from this central task. However, taking economic construction as the central task does not mean turning trade unions into economic management organizations. It means that the trade unions' main work is to carry out extensive mass production and technological activities and fully mobilize the workers' enthusiasm, wisdom, and creativity. While doing so, it is necessary to take economic construction as the central task and give full play to the trade unions' various social functions. It is necessary to ensure the workers' concrete benefits while developing social productive forces.

Third, it is necessary to unify the overall interests of the people throughout the country with the concrete benefits of the masses of workers. In China, the people's overall interests and the workers' concrete benefits are fundamentally coincident. But we must also realize that there are also contradictions between them. Although they are fundamentally coincident, contradictions have often arisen. Coincidence is achieved and developed by correctly handling the contradictions. Therefore, if the concrete benefits of the masses of workers are not harmful to the overall interests of the people, they should be respected and protected. For this reason, the trade unions must protect the unity of the two so that the party and government can directly hear the opinions and voice of the masses of workers and be supported by the great majority of workers. This is very important to the overall situation.

Fight for the Realization of the 10-Year Program and the Eighth Five-Year Plan Under the Leadership of the Party

To successfully achieve the second-step strategic objective of the 10-Year Program and the Eighth Five-Year

Plan and realize the change from having adequate food and clothing to leading a relatively comfortable life is the central task of the whole party and the people of the whole nation. It is also the trade unions' central task. The trade unions at all levels must mobilize and unite the workers of all nationalities throughout the country to further give play to the working class' role as the main force in construction. To this end, we must conscientiously implement the party's policy of wholeheartedly relying on the working class through our assiduous work and especially implement the policy in the grass-roots units and large and medium state-owned enterprises. This should be regarded as an extremely important and urgent political task for present trade union work and in the coming period. The trade unions must represent and organize the workers to participate in government affairs and social supervision work. In grass-roots units, enterprises, and institutions, trade unions should continue to take strengthening the workers' democratic management as their main work and fully mobilize the sense of being the master and the initiative and creativity of the broad masses of workers so that they can contribute to the successful realization of the 10-Year Program and the Eighth Five-Year Plan and the realization of the second-step strategic objective.

Forum Held on Publication of Mao Book

HK0407101991 Beijing RENMIN RIBAO in Chinese
28 Jun 91 p 4

[Report by correspondent Du Feijin (2629 7378 6651): "Forum on Upholding People's Democratic Dictatorship Held in Beijing"]

[Text] To mark the 70th anniversary of the founding of the PRC and the 42d anniversary of the publication of Mao Zedong's *On the People's Democratic Dictatorship*, the Jurisprudence Studies Society under the China Law Society and the editorial department of ZHONGGUO FAXUE [CHINA LEGAL SCIENCE] jointly held a "Forum on Theory on Upholding the People's Democratic Dictatorship" in Beijing on 26 June.

Forum participants held: As one of the "four cardinal principles," upholding the people's democratic dictatorship and the other three principles, form the foundation underlying all our efforts to build the country. Any understanding or practice neglecting, even denying the people's democratic dictatorship, is wrong and is also absolutely impermissible. The participants also pointed out: While strengthening the dictatorship against the enemy, we should further develop democracy and intensify the building of socialist democratic politics with Chinese characteristics. Zou Yu, president of the China Law Society and Zhu Jianming, the society's executive vice president, and others attended the forum.

New Book on Socialist China Published

OW0307112791 Beijing XINHUA Domestic Service
in Chinese 0903 GMT 1 Jul 91

[*"Socialist China and the Communist Party of China"* Distributed in Beijing for the First Time"—XINHUA headline]

[Text] Beijing, 1 Jul (XINHUA)—The China Statistics Publishing House has published a new *Socialist China and the Communist Party of China* to salute the 70th anniversary of the founding of the CPC and to coordinate with current education to spread knowledge about the national conditions. The State Statistical Bureau held a ceremony in Beijing today to mark the first distribution of the book.

Applying a large amount of full and accurate statistical data, the book expounds the historical facts about how the imperialist big powers carried out the political and economic infiltration and aggression against old China, and explains the inevitability of the founding of the Communist Party of China as well as the striking achievements scored by the Chinese people under the leadership of the CPC in the new democratic revolution, socialist revolution, and socialist construction. By contrasting the two different social systems, the socialist system and the capitalist system, the book explains that though the replacement of capitalism by socialism is a long-term process and is tortuous and difficult, it is inevitable. The book was compiled by Xu Hongwu and Wan Senlin.

Army Veterans Reportedly Protest Oppressive Rule

HK0407145691 Hong Kong CHENG MING
in Chinese No. 165, 1 Jul 91 pp 14-16

[*"Notes on a Northern Journey"* By Lo Ping (5012 0393); "Five Veteran Red Army Soldiers Leaped to Their Death in Protest Against Oppressive Rule"]

[Text]

Veteran Party Members, Red Army Soldiers, Cadres Complained Against the CPC

An anti-CPC mood is brewing in the CPC's old revolutionary base and threatens to flare up—this will be an entirely novel gift on the 70th anniversary of the party's founding.

Facts and fancy often contradict and the gap between them is often very great. You might imagine that when the CPC launched the party's "70th anniversary celebrations," the atmosphere in the "revolutionary sacred land" must have been one of enthusiasm and those "veteran revolutionaries" who had followed the Communist Party and staged the revolution with a red-tasselled spear or a 1938 rifle, must have happily celebrated the party's 70th anniversary by doing the yangko dance. But such "must have been's" only make a mockery of reality. The reality was: When the CPC

Central Committee was pursuing its celebration of the 70th anniversary of the party's founding as a top priority in the second half of this year, the dissatisfaction harbored by "three veterans"—veteran party members, Red Army soldiers and cadres—in many old revolutionary areas such as Yanan, Shaanxi, Guizhou, and Jiangxi, suddenly grew sharply; many of them even staged protests against the CPC's political power.

Relief Money, Materials Were Siphoned off by Numerous Hierarchies

An article entitled "Where Are the Problems?" for XINHUA News Agency "Internal Reference," stated the problem of veteran party members, cadres and Red Army soldiers in Yanan Prefectures and those in Shaanxi feeling alienated from the party. According to the article, there are still close to 1,000 veteran party members and Red Army soldiers in Yanan Prefecture who were admitted to the party around 1938. Most of them are now hard pressed, and the relief money and grain granted by the party and government have been "skimmed off" by numerous intermediate hierarchies. By way of an example, the article in the "Internal Reference" cited a case in which the PLA General Political Headquarters and Ministry of Civil Affairs early this year, allocated a 200,000 yuan relief fund to Yanan's old liberated areas, with the request that each veteran Red Army soldier or veteran party member who joined the party around 1938, receive 100 yuan from the fund. As a matter of fact these veteran Red Army soldiers and veteran party members each received only 15 yuan. Relief grain was appropriated by grass-roots cadres in large amounts. "Internal Reference" gave an example. During this period, the central authorities requested that each veteran Red Army soldier who joined the party around 1938 receive 20 jin of flour, 10 jin of rice, five jin of pork and two jin of white sugar. In fact each veteran Red Army soldier received only 10 jin of flour and two jin of pork and the rest was all been pocketed by numerous intermediate hierarchies; large quantities of white sugar were put on sale by law-breaking cadres in free markets at high prices. A Civil Affairs cadre in one district embezzled over 700 jin of pork. The deputy head of the Yanan Prefectural Propaganda Department and the deputy chief of the District Bureau for Veteran Cadres' Affairs misappropriated over 1,500 jin of rice.

"1938" Veteran Cadres Angry Beat Up a County Party Committee Deputy Secretary

The "Internal Reference" reported that, prompted by increasingly strong dissatisfaction, veteran cadres who joined the party around 1938 made, on 1 May, a collective petition, during which they smashed up the Yanan County "leading office for celebrating the 70th anniversary of the party's founding" and injured its deputy secretary. District and county public security bureaus

deployed over 200 public security policemen, who encircled the scene. An urgent dispatch from the provincial party committee resulted in the withdrawal of the public security force.

An Open, Collective Message to Deng Xiaoping for Justice

Veteran party members and cadres in Yanan Prefecture who joined the party around 1938 and 1945, are at present trying to establish ties; and so are the veteran party members and cadres in prefectures across entire Shaanxi in an open and public way. They made claims "for justice from the communist party and Deng Xiaoping." A "leading group for claiming justice" has been established by veteran party members, cadres and Red Army soldiers in some Yanan districts and across the Shaanxi area on their own initiative. The group leader was reportedly once the platoon leader of Zhu De's guards. The "leading group" has written an open letter to the district, provincial and city party committees making five proposals: First, set up a prefecture-wide "fraternal association for three types of veterans" for veteran party members, Red Army soldiers and cadres; second, set up a "financial inspection group for three types of veterans" to check the financial relief expenditure accounts for veteran party members, Red Army soldiers and cadres over the last decade, and publish the results; third, request that the provincial party committee sack 35 prefectoral, city, and county communist party cadres specifically named by the "fraternal association for three types of veterans" for being greedy and corrupt; fourth, 10 delegates elected by the prefecture-wide fraternal association for the three types of veterans would visit Beijing on the eve of 1 July to report to the central authorities on the actual conditions of the three types of veterans; and fifth, a large protest march collectively by the three types of veterans across the prefecture at the 70th anniversary of party founding on July 1.

Large Numbers of Policemen Everywhere Stopped Students from Supporting Veteran Red Army Soldiers

The CPC Central Committee was extremely worried on learning the news and immediately dispatched leaders of the PLA General Political Department and Civil Ministry to Yanan Prefecture to conduct work on the "three types of veterans." Meanwhile, some university students in places like Beijing, Shanghai, Tianjin, Xian and Lanzhou who had been closely monitoring the situation in the old liberated areas, were also heading toward Yanan Prefecture. They would like to be there to do their version of the work. When messages on their moves arrived at Beijing, the CPC Central Committee ordered large numbers of policemen to intercept the students at railway stations in Xian, Yanan and other areas. The scene somewhat resembled the KMT [Kuomintang] police preventing young students in Xian from heading toward Yanan to "join the communist party" in 1939. Now it was CPC policemen who were trying to stop students reaching Yanan to "oppose the communist party!" History can sometimes be so ironic! It was

reported that as of mid-May, police had confiscated at Yanan and Xian railway stations over 20 hand-held mimeographs carried by students. Many students got out of trains before the stations when they learned that there were policemen there, and made the rest of the journey by tractors or long-distance trucks. When local people learned that these students were heading for Yanan, they offered ideas and to be their tour guides. And when police and militiamen conducted roadblocks in the daytime, students walked at night. The CPC Central Committee has instructed troops stationed in Xian area and Shaanxi to assist local public security organs to do the prevention work. A report by Shaanxi Provincial Communist Youth League [CYL] Committee to the league central committee said: "Many youths there lagged behind in their understanding. They did not know who they should listen to: Whether a veteran party member with 40 years of party membership, or a young county party committee secretary less than 40 years old."

Prepared to Stage a Huge March of Three Types of Veterans in Yanan on July 1

The three types of veterans in Yanan Prefecture have been most active in recent days. Many of them have retrieved from museums red flags and party flags they had donated earlier and some of them made new red-tasselled spears in preparation for a huge prefecture-wide march of three types of veterans on July 1.

People who have never set foot in Yanan Prefecture and other areas of Shaanxi simply cannot imagine how poor life is in the old liberated areas. Some veteran party members in Yanan Prefecture said: "Even life before I joined the revolution was not so hard as now!" Some other veteran party members said: "All that blood we shed has been wasted, and our comrade-in-arms have died in vain!" "We have been had by the communist party; it has cheated us. For what purpose did we join the party and the revolution? Now there is no justice in the communist party."

There Was Trouble in Places Such as Jiangxi and Guizhou

Jiang Zemin, Yang Shangkun, Li Peng and Yang Baibing all gave instructions to localities to conscientiously do a good job in ideological and political work for veteran party members and cadres, help them ideologically and provide subsidies for them, and strengthen the stable and unified political situation.

It was revealed that next to Yanan Prefecture, Jiangxi and Guizhou were the areas with the most serious trouble, where signs have emerged of attempts to establish ties among the three types of veterans across the country. This was what the CPC was most worried and afraid of, and accordingly it has adopted contingency measures as a precaution against any incidents. Li Xiannian wrote to Hongan County in Hubei demanding that the Hubei Provincial CPC Committee and Hongan County CPC Committee care about people in Hongan County. He also instructed relevant State Council

departments to ship to Hongan large quantities of wood, cement and steel for building purposes. Of all the old liberated areas in the country, Hongan County is the most stable at present. Li Xiannian reportedly said: "I cannot, even if I wanted to, put in a few good words for them with the central authorities if they blindly stir up trouble without solving any problems. They will taint their own reputation if Hongan is not peaceful!"

The CPC Swallowed Humiliation, Dared Not Offend "Veteran Revolutionaries"

Last year Jiang Zemin made a tour of Yanan and other areas and saw with his own eyes the poverty in the old liberated areas. Early this year Jiang proposed calling a national conference to study and resolve problems in the old liberated areas. But before the meeting took place, trouble broke out in Yanan Prefecture. The CPC Central Committee called a meeting of leaders from the relevant departments such as the Ministry of Public Security, the Ministry of State Security, the PLA General Political Department, Ministry of Civil Affairs, CYL Central Committee, All-China Women's Federation, All-China Federation of Trade Unions and the Central Propaganda Department to listen to reports by Shaanxi Provincial CPC Committee and study solutions. The CPC Central Committee instructed: First, there is to be no brute force; and concerned authorities must exhaust all kinds of ways and methods to properly conduct ideological work; second, there is an issue of class struggle here. We do not eliminate the possibility of a small number of bad elements and hostile forces inside and outside the country exploiting difficulties in old liberated areas fomenting trouble and abetting and staging anti-party and antigovernment activities; third, subject the few party members who led the trouble to party discipline if repeated work on them proves to be to no avail; and have public security organs remand them in custody pending further handling should party discipline prove equally useless; fourth, leading cadres and government functionaries of parties, governments and army authorities at provincial, prefectural, city and county levels must organize small detachments and send them to old liberated areas to conduct work household by household, and individual by individual. They must stabilize the situation and not let bad people find any opportunity.

Approach Toward University Students Is Dissuasion, Restraint, Lastly Remanding Them in Custody

Apart from all that, the central authorities also demanded that units such as the CYL Central Committee, All-China Women's Federation and All-China Federation of Trade Unions actively coordinate with the central authorities and provincial party committees in pursuing work. At the same time, central authorities have explicitly permitted delegates of old liberated areas in Yanan Prefecture to come to Beijing to attend celebrations of the 70th anniversary of the party's founding, but have forbidden the establishment of illegal organizations such as the "Three Veteran Fraternal Association." Meanwhile, the CPC Central Committee issued an

instruction to provincial and city party committees in provinces such as Jiangxi, Guizhou, Ningxia and Gansu, that they must take the initiative to conduct work well ahead of the events, and that there must not be any problems.

The CPC Central Committee also gave instructions concerning students who supported resistance by people in old liberated areas: There will first be dissuasion and restraint regarding university students who stir up trouble in liberated areas; failing that they will be remanded in custody, and sent back to their place of origin by public security organs. There is to be no mercy for students leaders responsible for agitation and creating trouble.

A Tragic End to Five Veteran Red Army Soldiers in a Place Where Wang Zhen's Rise Began

As of the completion of this article no message had been received of serious "trouble" in old CPC base areas. But there was a tragic incident in Nanniwan, where Wang Zhen, then a brigade commander, began his rise. Five 70-year old veteran Red Army soldiers, who had fought in the War Against Japanese Aggression, in defense of Yanan and the "Liberation War" committed suicide.

The five veteran Red Army soldiers had written to the party Central Committee early last December accusing local officials of exploiting the three types of veterans and the people and recounting how they complained to the Yanan City authorities and were ill-treated and reproached by the local government.

The central authorities received the letter and referred it to Shaanxi Provincial CPC Committee for proper settlement, but there had not been any results.

They Smashed Red-Tasselled Spears, Tore Up Party Membership Cards, Hand in Hand Jumped off Cliff

On 2 May this year, these five veteran Red Army soldiers held the rifles and red-tasselled spears with which they fought the enemy and made their way, with some 40 relatives, to the Yanan City Government and protested there. They smashed the rifles and spears and publicly burnt their party membership cards and citations; then they marched to a cliff and without any warning, leaped to their deaths.

All of Shaanxi was shaken by the news, as was the CPC Central Committee. Instructed by the secretariat, the Central Propaganda Department covered up the incident by banning coverage or any leak to the public.

This was the greatest irony of the "70th anniversary celebration!" This is a tragedy for those ordinary "veteran revolutionaries" who followed the Communist party! This is a tragedy for the communist party! The tragedy reveals: The communist party has lost even its "roots!"

Commission Reviews Party Role in 1989 Riots

HK0307123891 Hong Kong CHENG MING
in Chinese No 165, 1 Jul 91 P 23

[Article by Cheng Liang (4453 0081): "Central Discipline Inspection Commission's Document Reveals That 800,000 Party Members Took Part in the 'Riot'"]

[Text] The CPC's Central Commission for Discipline Inspection submitted to the CPC Central Committee Political Bureau a report on party discipline in mid-May. The document revealed many things about party members and organizations during the 1989 pro-democracy movement. Excerpts of the report are hereby revealed.

13,000 Organs and Organizations Involved in the 1989 Pro-Democracy Movement

During the three months of April, May, and June 1989, 123 cities and more than 13,000 party and state organs, industrial and transportation departments, scientific research institutes, schools, commercial units, and other units around the country were involved to varying degrees in the "political riot" in Beijing and affected the entire country. Participation took the form of demonstrations in the streets; putting up big banners; writing big and small character posters; delivery of speeches; distribution of leaflets in the units and public venues; attacks on the sites of party and state organs; and looting, beating, and arson. Even more popular were disguised forms of strikes by workers, shopkeepers, and students.

800,000 Party Members Took Part in the "Riot"

Nearly 800,000 party members around the country (including 50,000 party cadres) were involved or took part in this "political riot" to varying degrees. They were primarily in big cities like Beijing, Tianjin, Xian, Nanjing, Hangzhou, Wuhan, Chengdu, Chongqing, and Nanchang.

The Situation in Beijing Was the Most Serious

There were 300,000 party members in Beijing who were involved in this "political riot" to varying degrees. The leaders of nearly 40 percent of all party organizations lost their initiative within a given period of time. Twenty-eight percent of party organizations took part or were involved in the "riot" because they had accepted wrong instructions.

90,000 Party Members Applied To Leave the Party

From May to July 1989, some 90,000 party members around the country sought to leave the party either individually or collectively. Some 8,000 party cadres also submitted their resignations. Some 300 party organizations proposed to disband, rebuild, or change their names. Party organizations in more than 130 departments and units voluntarily disbanded themselves.

More Than 20,000 Letters and Wires Sympathetic to the Pro-Democracy Movement Were Received

From mid-May to early June in 1989, the CPC Central Committee, the State Council, Central Advisory Commission, and relevant central departments received a total of 21,000 letters from all over the country stating their views and opinions on the "riot." They included 6,000 letters written on behalf of party and state organizations or associations. Among these 20,000 letters, 5,000 were written out of ignorance of the truth or under deception, while a small portion were written by people who had been used and manipulated by others.

The Party's Organizational Life Is Very Loose

This investigative report also pointed out: Since the "riot" of 1989, nearly 27 percent of the country's party organizations could not carry on with their regular organizational life. Some 7 percent of party organizations basically had only 3-4 activities a year, and 2 percent had not arranged any activities for two years now.

Large Number of the Party's Leading Comrades Violated Rules and Regulations

Some 18 percent of the country's party organizations have leading groups whose members have committed mistakes, even serious ones, either economically or politically, leading to violation of laws for which they have either been dealt with according to party discipline or to state laws.

Some 2.4 million party members have not paid their party dues for more than a year and even refuse to pay them.

The 4 June Massacre Was a Catalyst to the Party Members

According to a high level party source who revealed this report, the CPC is suffering from decaying flesh and sapping morale as the masses of party members have lost their faith in the party and in communism. The 4 June massacre by the reactionary clique was undoubtedly a strong catalyst. Judging from the great trend in the development of world history, the CPC will not be able to resist the tide of democracy.

4 Jun Anniversary Triggers Party Reappointments

HK0507135791 Hong Kong CHIUSHIH NIENTAI in Chinese No 258, 1 Jul 91 pp 24-25

[Article by Lin Wei (2651 5898): "Contention Before 14th CPC Congress Starts"]

[Text] On the eve of the second anniversary of the 4 June Incident, three high-ranking CPC leaders who had stepped down because of the incident were appointed to new posts. This development has made people keep their eyes open on the political situation in China.

Hu Qili, Rui Xingwen, and Yan Mingfu Reappointed to New Posts

Hu Qili, who has been appointed vice minister of machine-building and electronics industry, was formerly a member of the CPC Central Committee Political Bureau Standing Committee. Ranking fourth on the Standing Committee, he was in charge of ideological work before the 4 June Incident.

Rui Xingwen, who has been appointed vice minister of the State Planning Commission, was formerly a member of the CPC Central Committee Secretariat, also in charge of ideological work.

Yan Mingfu, who has been appointed vice minister of civil affairs, was formerly a member of the CPC Central Committee Secretariat and concurrently director of the CPC Central Committee United Front Work Department.

These three men's new appointments are obviously lower than their original positions. Hu Qili's new post is the most noticeable demotion compared with his two colleagues. Although their new posts are vice ministers, they are enjoying the treatment of full ministers. The authorities have really taken great pains to make such an arrangement. On the one hand, the conclusion on the three men's "mistakes" cannot be reversed, therefore they cannot be reinstated in office. On the other hand, the authorities want to hint that the three men's mistakes are by no means very serious, in an attempt to downplay their cases. The fact that they were officially reappointed to new posts on the eve of the anniversary of the 4 June Incident this year is a gesture to show the world that the situation in China is relaxing.

If one simply focuses on the appointment of these three men to the post of vice minister, which is nothing but a showcase of the CPC authorities' "leniency" policy, one may not see any special significance. However, if this is viewed against the background of Zou Jiahua and Zhu Rongji's appointment as vice premiers by the National People's Congress [NPC] in April, it is no doubt a sign of the weakening of the conservative force represented by the incumbent Premier Li Peng. Now that these three men have been reinstated in office, one cannot rule out the possibility of future promotions. Of course this will depend on the future power balance.

Anyway, this does not imply that one can be optimistic about future development. Since these three men have committed "mistakes" related to delicate issues, for the time being they cannot be reappointed to posts similar to their former ones.

Cadres and Masses Are Treated Discriminately

From the handling of the cases of Hu Qili, Rui Xingwen, and Yan Mingfu, one can see that the CPC is practicing a discriminative policy toward "cadres and ordinary people who have committed mistakes," a policy of leniency to high-ranking party cadres but severity to ordinary people. While Hu Qili and his like can be

reinstated, no mercy and leniency has been given to any civilians or junior cadres who have been sentenced to imprisonment. It was recently revealed that only because of her suicide, was Jiang Qing, Mao Zedong's widow, "released on bail for medical treatment" long ago in 1984. So, even though Jiang Qing had been Deng Xiaoping's sworn enemy, the policy of leniency still was applied to her case. But Wei Jingsheng does not fall in this category.

As for Hu Qili, he has been enjoying life after stepping down. He has often been seen playing ball and card games at clubs for high-ranking cadres, and he has regularly met with Li Ruihuan (member of the CPC Central Committee Political Bureau Standing Committee) and Wan Li (chairman of the NPC).

Before being appointed a member of the CPC Central Committee Secretariat, Rui Xingwen was Shanghai municipal party committee secretary. For a time he was not on good terms with Jiang Zemin, who was then municipal party committee deputy secretary and was later appointed Shanghai mayor concurrently. Jiang Zemin, who is now general secretary of the CPC Central Committee, does not take the opportunity to hurt Rui. As far as this is concerned, he is good "in always bearing in mind the overall interests."

Ideologically speaking, Yan Mingfu used to be sympathetic with the disgraced Zhao Ziyang, but, in terms of organizational relations, he belongs to Yang Shangkun's faction. Yang succeeded Li Xiannian as state president, and Li himself was assigned to the Chinese People's Political Consultative Conference [CPPCC]. After the 4 June Incident, Yan Mingfu was removed from his CPPCC National Committee post. At last, however, he has been reinstated in office.

These three men's reappointments are reminiscent of Zhao Ziyang's fate.

Zhao Ziyang's Case Will Drag on Unresolved

However, some difficulties have yet to be solved before Zhao Ziyang can stage a comeback.

First, as Zhao Ziyang refuses to acknowledge any mistake, the CPC authorities cannot back down with good grace. In addition, the conservative faction resolutely objects to any plan to reinstate Zhao to office.

Second, it would be an insult to Zhao Ziyang if he was to be assigned to a lower post. He could not possibly accept such an arrangement unless Deng Xiaoping could sincerely persuade him in person, or Zhao obtains a promise of future arrangements.

Third, the crux of Zhao Ziyang's case lies in the resolution adopted by the Fourth Plenary Session of the 13th CPC Central Committee in late June 1989. As the power struggle was acute at that time, Zhao was convicted of the major offenses of "supporting turmoil" and "attempting to split the party." It is now very difficult for senior founding

members of the party, or even Deng Xiaoping, to amend this conclusion. If the resolution adopted by the Fourth Plenary Session of the 13th CPC Central Committee is to be reversed, it will damage the prestige of the present CPC leadership stratum. How can they admit that the resolution adopted by the Fourth Plenary Session of the 13th CPC Central Committee is wrong? Therefore, Zhao Ziyang's case will drag on unresolved.

An "Anti-Imperialist" Education Drive Is Under Way

Although the reappointment of Hu Qili and the two other men has created a "relaxed" atmosphere, the CPC has not loosened its political control. On 1 June Children's Day, the CPC published a letter Jiang Zemin wrote to State Education Commission Minister Li Tieying and Vice Minister He Dongchang on 9 March this year, urging a campaign "of gradual and persistent education in the history of modern and contemporary China and the national conditions, among primary and second pupils and college students," that is to say, a review of the history of imperialist aggression against China. Although Jiang Zemin warned of "any attempt to foster a 'Leftist' atmosphere again," preaching a view against imperialism and capitalism will provide the hotbed for "Leftism," will it not?

Perhaps with a view to proving that imperialists are still trying to aggress and oppress China, RENMIN RIBAO on 10 June carried a signed article entitled "The Tree May Prefer Calm, But the Wind Will Not Subside—On the Show Put On by a Small Number of Foreigners Around 4 June." The article said: "At 1720 [local time] on 1 June, a black sedan arrived at the west entrance of Beijing University and two Western women got out of the sedan. When an entrance guard asked them to fill in the visitor's form as required by school regulations, one of them lost her temper and hit the guard twice with her fist. Then they got into the car and drove away." This woman imperialist was rude indeed, but RENMIN RIBAO did not denounce that Western country by name and did not tell whether the car number was written down and the "troublemaker" held responsible for her rude act. In failing to do so, RENMIN RIBAO was tolerating extraterritoriality exercised by imperialists on China's territory, was it not?

Contention Before the 14th CPC National Congress

The CPC's latest personnel arrangements are obviously related to the 14th CPC National Congress to be held next year. Recently, on the occasion of the CPC's 70th anniversary, XINHUA NEWS AGENCY filed reports on the development of China's ranks of cadres, expressing further appreciation of the principle of fostering "cadres who are revolutionary, young in average age, well educated, and professionally competent" that was put forth after the Third Plenary Session of the 11th CPC Central Committee (1978). This move reminded people of the possibility that the CPC may abolish the Central Advisory Commission during the forthcoming 14th CPC National Congress and truly delegate the

power to young technocrats. However, the old and stubborn Vice President Wang Zhen has shown up so frequently these days as if he were a star on China's political arena. From 1 to 14 June, his name appeared seven times in the newspapers. It appears that he is interested in succeeding Yang Shangkun as president.

Li Peng, as the premier, has been criticized by everyone for his incompetence. All people, from the extremely old man Deng Xiaoping down to those in provinces, cities, and localities, are dissatisfied with him, and even some old men supporting him are disappointed in his performance. Such being the case, Li Peng cannot but make every effort to save his political life to keep his post as premier. Recently Li Peng has talked very much about reform. The magazine *ZHONGGUO JINGJI TIZHI GAIGE* No. 5 this year carried a Li Peng article entitled "Further Deepen Reform, Invigorate Large and Medium Enterprises." He never published an article on reform while he concurrently heading the State Commission for Restructuring the Economy. But now he begins to noisily talk about reform, although he is no longer minister of the State Commission for Restructuring the Economy. It is really unimaginable that he has often talked about reform even when meeting with foreign guests.

All the above information indicates that there will be a power contention among different factions within the CPC before the opening of the 14th CPC National Congress scheduled for next year. On the one hand, Deng Xiaoping hopes to instate officials favoring economic reform to keep the situation under control. On the other hand, Chen Yun, who is in favor of the "bird cage economy," is also busy listening to reports and issuing directives. Chen does not seem to be ready to retire from the power center. Another two senior party leaders, Peng Zhen and Bo Yibo, recently have had their works published, with a view to passing on their invaluable advice to the younger generations so that they can resist the West's "peaceful evolution" offensive. It appears that the final outcome of this round of contention will not be seen until the 14th CPC National Congress.

'Ultraleftists' Reevaluate Cultural Revolution

*HK0307105091 Hong Kong CHENG MING
in Chinese No 165, 1 Jul 91*

[Article by Yu Ching (0060 7230): "Some People in the Highest Leadership Stratum in Beijing Attempt To Reverse Verdict on Cultural Revolution"]

[Text] Li Xiannian, Wang Zhen, He Dongchang, Deng Liqun, and other ultraleftists have been urging a comprehensive reevaluation of the Great Cultural Revolution from a historical perspective, while Jiang Zemin has aired a view against theirs. This is an indication of undercurrents in China's political arena which seems to be tranquil on the surface....

Recently, a "verdict reversing campaign" was launched from the highest leadership stratum, which calls for a

so-called comprehensive reevaluation of the Great Cultural Revolution from a historical perspective.

Li Xiannian Said the Criticism Against the Bourgeoisie During the Cultural Revolution Was Justified

At a forum for middle-aged and young cadres held before May Day, Li Xiannian said: "Chairman Mao was right in calling on the people to criticize the bourgeoisie during the Cultural Revolution. The problem was that the plan was disrupted and thus some correct ideas of the proletariat were also criticized. As a matter of fact, a small number of cadres within the party were not practicing socialism at that time, and they made a mess of everything in their organizations. So a campaign to criticize them was indispensable. Of course, most cadres were loyal to the party's cause."

Wang Zhen Is Still Urging Political Campaigns

Around the National People's Congress session, while on inspection tours outside Beijing and when meeting with representatives of model workers, Wang Zhen reiterated over and over again: "I was opposed to the Cultural Revolution, but I agreed with many of Chairman Mao's directives. For example, we must stage a criticism campaign against the bourgeoisie, we must foster proletarian ideology and eliminate bourgeois ideology, intellectuals must undergo reeducation, and young people should go wherever the country needs them most and should support all just struggles against imperialism and for national emancipation." "I have made a suggestion to the central authorities," Wang Zhen added, "although we have decided that no more nationwide political campaigns will be launched, local and short campaigns still have to be waged to oppose bourgeois liberalization. We must firmly keep ideology under our control, which must never be given up."

He Dongchang Defends the Cultural Revolution

When addressing a large-scale May Fourth Youth Day forum for outstanding young students sponsored by the State Commission of Education and the Communist Youth League Central Committee, He Dongchang, vice minister of the State Commission of Education, said: "It is indeed necessary for educated youths and university and college graduates to observe and learn from real life in factories and rural areas, to emulate the fine qualities of the workers and peasants, and to undergo reeducation. This is a fine tradition and good system that we developed in the 1960's. We should continue to sum up experience and carry forward this tradition and system, which are important measures to prevent young students from being corroded by bourgeois liberalization."

Deng Liqun Defends the Cultural Revolution With Marxism-Leninism

Deng Liqun told a group of cadres at the provincial level who were graduating from the Central Party School: "From the Marxist point of view, it is inappropriate to indiscriminately and thoroughly repudiate all political

campaigns launched after liberation, for doing so may lead us to another extreme. To be sure, the CPC Central Committee's resolution repudiating the Great Cultural Revolution is correct, but what we repudiate are the Cultural Revolution's disastrous results, which threw the party, the army, and the country into chaos. The directive that Chairman Mao made during the Great Cultural Revolution urging party cadres at all levels to study Marxism-Leninism and guard against any peaceful evolution to be staged by capitalism in China is correct, though. Marxism-Leninism must take over the realm of ideology; intellectuals must immerse themselves among the workers, peasants, and servicemen; and educated youths must go to work where the conditions are hardest. All these ideas, I think, are also correct."

Jiang Zemin Says the People Do Not Support the Attempt To Reverse the Verdict

To strike back at this ultraleftist verdict-reversing tendency, Jiang Zemin spoke in a serious tone during an 11 June Political Bureau meeting.

"All the party, all the army, and all the Chinese people throughout the country have already reached a conclusion on the 10-year Great Cultural Revolution. Any attempt to rehabilitate the Cultural Revolution in whatever way goes counter to the will of the public, the party, and the army." Jiang Zemin also emphasized: "The Cultural Revolution was a catastrophe and tragedy in Chinese history—this is a conclusion that nobody can change or reverse."

Educated Youths Are Still Asked To Go to Underdeveloped Areas Where the Circumstances Are Difficult

On the same occasion, Jiang Zemin conveyed a directive from Deng Xiaoping: "In the 1950's and the early 1960's, the party called on young people and college graduates to go to work where the circumstances are difficult. That appeal aroused enthusiastic response from the vast number of young people, intellectuals, and cadres at that time. That drive was substantially different from what was practiced during the Cultural Revolution, and they must not be mentioned in the same breath. At the present and in the future, we will continue to encourage in a planned way college and university graduates and educated youths to go to work in relatively backward areas with relatively difficult conditions. When selecting and promoting cadres, provincial and city authorities should give preference to college and university graduates and educated youths who have worked in those areas. Assigning these people to posts at different levels is also a policy that we will follow in selecting and promoting cadres in the future."

Correspondents Write Li Peng on Fu Shenqi

*HK0507041391 Hong Kong MING PAO in Chinese
5 Jul 91 p 8*

[*"Special dispatch": "International Correspondents Association, ICA, Writes Letter to Li Peng on Arrest of Prodemocracy Activist Fu Shenqi (0265 3947 1142) in Shanghai"*]

[Text] The International Correspondents Association [ICA], which has 200,000 press worker members all over the world, wrote a letter the other day to Chinese Premier Li Peng, expressing its concern over the recent arrest of Shanghai prodemocracy activist Fu Shenqi. In the wake of the democracy wall movement 10 years ago, Fu Shenqi was put in jail for four years on a charge of publishing a nongovernment magazine.

In the letter, Eden White [ai dan huai te 5337 0030 2037 3676], secretary general of the ICA, asked Li Peng to inform the association of the reasons for Fu Shenqi's arrest last May, as well as the date of his trial. The ICA is worried that Fu will be put in prison again for issuing underground publications.

Fu Shenqi, a 37-year-old Shanghai resident, was once a member of the Communist Youth League. After graduating from middle school, Fu became a worker. In 1978, he participated in the democracy wall movement and organized the "Society of Rejuvenation." In 1979, together with his friends, he started publication of a magazine entitled "The Voice of Democracy," and the following year took charge of the nongovernment publication "Responsibility" for the All-China Association of Masses Publications. At the beginning of 1981, when the CPC mounted a large-scale offensive to arrest prodemocracy activists, Fu was arrested in Beijing and later sentenced to imprisonment.

Headquartered in Brussels and with members from 52 countries, the ICA aims at safeguarding freedom of information as well as press independence.

Wang Renzhong Addresses CPPCC Committee

*OW2906121491 Beijing XINHUA Domestic Service
in Chinese 0944 GMT 29 Jun 91*

[Text] Beijing, 29 Jun (XINHUA)—The 15th Session of the Standing Committee of the Seventh National Committee of the Chinese People's Political Consultative Conference [CPPCC] closed at the CPPCC Auditorium this afternoon.

Wang Renzhong, vice chairman of the CPPCC National Committee, presided over and addressed today's meeting.

The meeting voted to elect Ding Guangxun vice chairman of the Religion Committee of the CPPCC National Committee; Lian Zhong [1670 0112], Tang Zhongwen [0781 0112 2429], Li Jingwen [2621 0079 2429], and Zhou Guangchun [0719 0342 2504] members of the Economy Committee; and Zhang Kan [1728 0170]

member of the Medical, Health, and Sports Committee; and to appoint Yang Jike president of the Central Academy of Socialism.

In his speech, Wang Renzhong expressed his views about deepening reform and enlivening large- and medium-sized enterprises. He said: To enliven large- and medium-sized enterprises, it is necessary to implement the contracted managerial responsibility system in state-owned enterprises; do things according to the law of value and straighten out problems in the price structure; establish an operating mechanism that combines a planned economy with market regulation; and step up technical transformation in old enterprises to promote technical progress and improve the enterprises' quality.

Wang Renzhong said: Our planned commodity economy should be based mainly on the system of public ownership. The purpose of competition among socialist enterprises should be to promote and help one another. We cannot let many enterprises go bankrupt or let large numbers of workers go jobless because that will affect social stability and the development of the socialist economy. He hoped that members of the standing committee will actively offer their plans and opinions and do their best to enliven large- and medium-sized enterprises.

Attending the meeting were CPPCC National Committee Vice Chairmen Hong Xuezhi, Gu Mu, Yang Jingren, Kang Keqing, Zhou Peiyuan, Wang Guangying, Deng Zhaoxiang, Zhao Puchu, Qu Wu, Ma Wenrui, Liu Jingji, Wang Enmao, Qian Xuesen, Qian Weichang, Cheng Siyuan, Ismail Amat, Ding Guangxun, and Ye Xuaping, as well as Secretary General Song Demin.

Reports Continue on Flooding, Countermeasures

Railway Line Cut

HK0807010091 Beijing CHINA DAILY in English
8 Jul 91 p 1

[By staff reporter]

[Text] Serious floods in Jiangsu Province yesterday cut the Beijing-Shanghai railway line, one of the country's main arteries.

All trains from Beijing to Shanghai, Fuzhou, Hangzhou and Nanjing were cancelled yesterday. From today, some Beijing-Shanghai or Suzhou trains will stop at Bengbu in Anhui Province or Xuzhou in Jiangsu Province.

Sources from the Railway Ministry also said that from tomorrow (Tuesday) all booking services on the Beijing-Shanghai line would be cancelled, with people only able to buy tickets one day ahead.

Seven trains full of passengers were stranded on the line and the railway department decided to return them to their original station or move them to big stations in order to provide passengers with water and food.

The Guiyang and Kunming line was also cut because of floods.

A CHINA DAILY staff reporter in Wuxi city said that although the water in the streets had receded, the water level in Taihu Lake yesterday rose to 4.65 metres, 1.1 metres higher than the warning mark.

Wuxi, one of the hardest-hit areas, is still on the alert as a flood from the Yangtze River is approaching the city, and weathermen have predicted heavy downpours in the next two days in Jiangsu Province.

Figures from the Jiangsu provincial anti-flood headquarters show that flooding since June 28 has killed 26 people and seriously injured 56 in the province.

More than 1.73 million hectares of farmland and 11,000 factories were inundated and 36,000 urban and rural houses have been destroyed. Initial economic loss in Wuxi has topped 1 billion yuan, (about \$188 million).

In neighbouring Suzhou City, the floods have invaded 110,000 households and forced 3,000 factories to stop work, the city flood control office said.

Li Peng Authorizes Grain Relief

OW0307172791 Beijing XINHUA in English
1412 GMT 3 Jul 91

[Text] Hefei, July 3 (XINHUA)—Under the instructions of Chinese Premier Li Peng, the Anhui Provincial Government has distributed free relief food to 220,000 flood victims in the flood drainage and storage projects areas in the province.

According to the concerned regulations, each of the 220,000 flood victims can receive 0.5 kg of grain each day until the end of September this year.

In the period between mid-May and mid-June, a series of heavy rainstorms hit the province, causing serious damage in the areas flooded by the Chuhe and Huaihe Rivers.

To protect the dams of the two rivers, the provincial government decided to open nine flood drainage and storage projects in the area, which inundated 23,000 ha of wheat and forced more than 220,000 local people to leave their homes.

XINHUA learned that by July 3, each of these flood victims had received 10 kg of grain.

Tian Jiyun Draws Up Plan

OW0707062191 Beijing XINHUA Domestic Service
in Chinese 1530 GMT 4 Jul 91

[“Vice Premier Tian Jiyun Draws up a Plan for Flood Control as the Water Level of Tai Hu Continues to Rise”—XINHUA headline]

[Text] Beijing, 4 Jul (XINHUA)—This morning, Tian Jiyun, vice premier and head of the State Flood Control Headquarters, signed and issued the “Opinion on the

Flood Situation in the Tai Hu Drainage Area and the Plan for Flood Control," on effective measures to be taken to lower the water level of Tai Hu quickly.

Sustained heavy rain has been falling in the Tai Hu drainage area since the middle of June, with an average rainfall of over 220 mm. After more than 2 billion cubic meter's of water flowed into the lake, the water level of Tai Hu rose from 3.46 meters to 4.28 m between 12 and 23 June. Jiangsu Province, Zhejiang Province and Shanghai Municipality are cooperating with each other. They have taken measures, such as opening the Tai Pu Water Gate and some other water gates in eastern Tai Hu to discharge floodwaters and lower the water level to 4.09 m. However, since 30 June, heavy torrential rain fell again with the average rainfall reaching 140 mm plus as of 4 July. At 1400 this afternoon, the water level of Tai Hu reached 4.44 m, exceeding the danger-level by 0.94 m and posing a serious threat to industrial and agricultural production in the drainage area of the lake, and to the safety of such large and medium-sized cities as Shanghai, Wuxi, Suzhou and Jiaxing, and the Shanghai-Nanjing Railway and the Shanghai-Hangzhou Railway.

After Shanghai Municipality received the telegram on the flood situation in the Tai Hu Drainage Area and the plan for flood control, Municipal Party Committee Secretary Wu Bangguo, Mayor Huang Ju, and Vice Mayor Ni Tianzeng went to Hongqitang Dyke to hold an on-the-spot emergency meeting there. They decided to remove obstructions that serve to contain Hongqitang Dyke at 0900 on 5 July to discharge flood water. After Zhejiang Province received the telegram, Executive Vice Governor Xu Xingguan immediately held a meeting of the responsible persons of relevant departments to study the flood situation and sent deputy director of the Department of Water Resources and the leading cadres of Jiaxing City to rush to the site to coordinate with Shanghai in dismantling the obstructions that serve to contain Hongqitang Dike. After receipt of the telegram, Jiangsu Province held a governor's meeting for handling official duties and transmitted the telegram to flood control headquarters in Suzhou, Wuxi, Changzhou, Zhenjiang, and Nanjing cities, requiring all areas to draw up measures for implementation in accordance with the guidelines of the telegram as quickly as possible.

Inspects Beijing Efforts

OW0707083691 Beijing XINHUA Domestic Service
in Chinese 1522 GMT 3 Jul 91

[Tian Jiyun says: We Should Attach Great Importance to Flood Control Work and Be Fully Prepared To Ensure Perfect Safety; by BEIJING RIBAO reporter Wang Zengmin (3769 1073 3064) and XINHUA reporter Su Huizhi (5685 25851807)—XINHUA headline]

[Text] While inspecting flood control works in Beijing today, Tian Jiyun, member of the Political Bureau of the CPC Central Committee, vice premier of the State

Council, and head of the National Flood Control Headquarters, stressed that it is necessary to attach special importance to this year's flood control work to be fully prepared to ensure perfect safety.

Premier Li Peng has attached great importance to the proposal, made by State Councillor and Beijing Mayor Chen Xitong during an executive meeting of the State Council, that vigilance should be maintained against flooding along the Yongding He (one of the four big rivers directly under the control of the state, through which it can regulate flooding). This morning, Tian Jiyun, Chen Xitong, and other leading comrades drove more than 300 kilometers to inspect flood regulating work in the Yongding He Basin and at Guanting and Zhaitang reservoirs, as well as the site for the construction of a reservoir at Guanting Mountain gorge aimed at protecting the safety of the capital, and to listen to a report on flood control work along the Yongding He.

At Guanting Reservoir, Tian Jiyun inquired in detail about its ability to withstand earthquakes, and its telecommunications and transport facilities. Guanting Reservoir is the first water conservation project built after the founding of new China. As it controls more than 97 percent of the area covered by the Yongding river system, the project has played an important role in controlling floods, supplying water, and ensuring the safety of the capital. Due to serious soil erosion in the upper reaches of the river, more than 623 million cubic meters of silt has been accumulated in the reservoir. It will become a dead reservoir if nothing is done to remedy this situation. After hearing this information, Tian Jiyun pointed out that a large reservoir of this type should play its role in a better way. In some areas in the upper reaches of the river, tree planting projects are being carried out to control soil erosion. This will probably cut down the amount of silt in the future. Making silt removal so as to create farmland a means of controlling silt is a good method, which can turn waste into something valuable. This method has yielded good results. The state has provided some funds to encourage the developmental and economic method of removing silt to create farmland. From a long-term point of view, this method is an act of responsibility to the state, the people, and future generations.

Speaking on flood control work this year, Tian Jiyun pointed out: Beijing is the capital. We must not lower our guard, whether floods occur or not. Weather forecasting departments have predicted that there will be an excessive amount of rain this year. We should believe that this is true rather than false. We should heighten our vigilance and must not be the slightest bit careless. Our pressing task is to prepare flood control materials such as straw mats, straw sacks, and stones; to prepare well work in the field of telecommunications and transportation; and to earnestly carry out a responsibility system. From a long-term point of view, we must strengthen efforts to consolidate reservoirs and dredge water channels.

Chen Xitong said: The party Central Committee and the State Council have attached great importance to flood control work and are concerned about the capital's safety. The Beijing Municipality will resolutely implement Comrade Tian Jiyun's instructions and be fully prepared to combat flood. We can avoid disasters or reduce damage only if we are prepared; disasters will strike if we lower our guard. If we lower our guard, we are committing an act of irresponsibility to the people. Leaders at all levels should bear their responsibility well.

Minister of Water Resources Yang Zhenhuai pointed out: We can cut down the damage even more if we put more efforts into our preparation work. Some enterprises have been inundated in the basins of the two lakes. This was mainly caused by insufficient preparation. Relevant departments should vigorously mobilize the masses while at the same time doing a good job in supervising antiflood operations.

Li Changan, deputy head of the National Flood Control Headquarters and deputy secretary general of the State Council, and the vice mayors of Beijing Huang Chao and Wang Baosen also took part in the inspection tour.

Inspects Shanghai

OW0807224291 Beijing XINHUA Domestic Service in Chinese 1207 GMT 6 Jul 91

[By reporter Luo Kangxiong (5012 1660 7160)]

[Text] Shanghai, 6 July (XINHUA)—Tian Jiyun, vice premier of the State Council and head of the State Flood Control Headquarters, today inspected anti-flood work in Shanghai and other places. He emphasized: A pressing matter is the lowering of the water level of the Tai Hu. In view of this formidable task, the large numbers of cadres and party members should work in unity with the masses in controlling flood and minimizing the damage.

On behalf of the State Council and the State Flood Control Headquarters, Tian Jiyun extended warm regards to the masses of cadres and people fighting valiantly to prevent flooding. He thanked Shanghai and other localities for sacrificing their local interests while considering the overall situation and helping the fraternal provinces tide over difficulties.

Since mid-June this year, heavy rains have continuously poured down the Tai Hu valley areas, causing a sharp rise in the lake's water level. At 1400 yesterday [5 July], the water level had reached 4.55 m, approaching the highest level of 4.65 m set in 1954. This has inflicted grave economic damage on the Tai Hu valley. In order to discharge flood water from the lake, the State Flood Control Headquarters has decided to open the Taipu River Gate, Hongqitang Dam, and Qianshengdang Dike.

To accelerate the pace of discharging flood water from the Tai Hu, the vice premier made a special trip from Beijing to Shanghai yesterday afternoon. Accompanied by Yang Zhenhuai, deputy head of the State Flood

Control Headquarters and minister of water resources; and Huang Ju, deputy secretary of the Shanghai Municipal CPC Committee and mayor, he inspected Qianshengdang Dike in Qingpu County to obtain firsthand information on the situation. During the inspection, the vice premier said: This year's high flood season has yet to come. We should be prepared against a major flood and should by no means lower our guard. At the present, we should, first and foremost, repair hazardous sections along the Qianshengdang, increase the height of the dike, and stop breaches, making ample preparations for opening the dams and dikes and doing everything possible to minimize economic losses.

The vice premier emphatically pointed out: In order to win the understanding and support of the masses, leading cadres at all levels should clearly explain to them the relationship between local interests and the overall situation. The state shall offer some economic compensation to areas suffering economic losses as a result of giving priority to the overall situation.

In accordance with the arrangements mapped out by the State Flood Control Headquarters, Shanghai Municipality has recently adopted a series of effective measures to ensure flood water discharge from the Tai Hu. Briefing Vice Premier Tian Jiyun yesterday evening, Wu Bangguo, secretary of the Shanghai Municipal CPC Committee, and Huang Hu, deputy secretary and mayor, assured him that Shanghai, which like Jiangsu and Zhejiang relies on the Tai Hu for drinking water, will of course stand together with these provinces through thick and thin.

This morning, Tian Jiyun and his entourage drove to Wujiang County in Jiangsu and boarded a boat to assess the flood situation at the river gate on the Taipu He. Later, an on-the-spot meeting was held at Pingwang Town in Wujiang County to coordinate the efforts to control flood by the two provinces and one municipality. After listening to briefings by Vice Governor Ling Qihong of Jiangsu, Vice Governor Xu Xingguan of Zhejiang, and Vice Mayor Ni Tianzeng of Shanghai, Tian Jiyun lauded Shanghai's Qingpu County for its sacrifices in opening the Qianshengdang Dike. He said Shanghai's style and spirit of stressing the overall situation is commendable. The vice premier pointed out: Jiangsu, Zhejiang, and Shanghai should, under the State Flood Control Headquarters' unified arrangements, planning, and leadership, carry out their respective duties and unify the masses in the anti-flood campaign in order to open up a channel for flood relief and increase water discharge from the Tai Hu as soon as possible, thereby overcoming the current disaster.

Jiang Zemin Inspects Anhui

OW0807184891 Beijing XINHUA Domestic Service in Chinese 1251 GMT 8 Jul 91

[By reporters Wang Likuang (3769 4409 6315) and He Ping (0149 1629); Local Broadcast News Service]

[Text] Hefei, 8 July (XINHUA)—Jiang Zemin, general secretary of the CPC Central Committee, who has been on an inspection tour of flooding in Anhui, today told large numbers of cadres and people fighting on the front lines of disaster that as long as we continue to rely on the party's leadership, the socialist system, and the wisdom and strength of the masses in heightening our spirit and fighting in unity, we will definitely be able to overcome natural disaster.

Accompanied by Anhui provincial party Secretary Lu Rongjing, provincial Governor Fu Xishou, and Commander Gu Hui of the Nanjing Military Region, General Secretary Jiang Zemin inspected the flood situation in areas along the Huai He and mapped out arrangements for combating disaster together with Tian Jiyun, vice premier of the State Council and head of the State Flood Control Headquarters; and Wen Jiabao, alternate member of the Secretariat of the CPC Central Committee, on 7 and 8 July. On behalf of the party Central Committee, the State Council, and the Central Military Commission, Jiang Zemin extended cordial greetings to the large numbers of cadres and people, as well as People's Liberation Army [PLA] commanders and fighters and Armed Police officers and men, who are fighting on the front lines of disaster.

Since mid-May this year, Anhui has been hit successively by four torrential rainstorms which has resulted in extraordinary flooding on a scale rarely seen before. Of the province's 65 million mu of farmland, 50 million mu have been inundated; 380,000 houses have collapsed and another 800,000 were damaged, leaving a total of 30 million people afflicted by the disaster. At present, 17,000 villages and some 5 million people are still besieged by water.

Wearing green army trousers and rubber shoes, Jiang Zemin endured the hardships of a long journey in visiting disaster victims in Houguai Village, Donggang Township, in Fengtai County. Peasant Wang Chuanpeng told the general secretary: "Were we still in the old society, we would be fleeing from famine and begging for food in the wake of such a grave disaster." Sharing his view, Jiang Zemin said: "Indeed. When trouble occurs in one place, help comes from all quarters. This is precisely a manifestation of the superiority of the socialist system. Under the leadership of the party, as long as we make concerted efforts and fight in unity, we will definitely be able to surmount the present difficulties." Meanwhile, he told local cadres that the most important thing is ensuring the safety of the masses' lives. As long as the people are in good health, they need not worry about the future. He also urged the local government to promptly take preventive measures against epidemic diseases and to ensure a clean supply of drinking water for flood victims so as to prevent the occurrence and spread of diseases.

During a round trip by boat to Fengtai and Yingshang Counties, Jiang Zemin was briefed by officials of Anhui Province and the Ministry of Water Resources about the waterlogging situation, disaster damage, flood control

work, and disaster relief work. Upon learning that many party members and cadres have been fighting on the front lines of disaster, the general secretary praised their selfless spirit as precisely an expression of the party's goal of serving the people wholeheartedly. He said: At critical moments, we should bring into play the role of party organizations as the fighting bastion and the exemplary vanguard role of party members.

After listening to briefings by the Anhui Provincial Party Committee and Provincial Government about progress in resisting disaster and providing relief to disaster victims, the general secretary fully affirmed the results scored by leading cadres of party and government organizations at all levels and the masses in Anhui and praised in particular their style of sacrificing local interests while taking the overall situation into consideration.

Jiang Zemin said: At critical moments when the lives and property of the masses were threatened by natural disaster, large numbers of party members and cadres withstood severe tests by taking the lead and rushing to provide help. Their deeds bear testimony to the fighting capacity of the party, as well as to the profound trust and support the party commands among the masses.

He pointed out: In the next stage of the struggle to combat the flood, we should continue to heighten spirit, strengthen leadership, and fight in unity to overcome difficulties. It is necessary to bring into play the superiority of the party's ideological and political work and large-scale socialist cooperation, display the spirit of defying difficulties and making sacrifices in fighting successive battles, foster a mentality of waging a protracted campaign, and make ample preparations against major disasters so that we can meet any disaster head-on with an even more intense fighting spirit.

Jiang Zemin noted especially that where there are difficulties, Communist Party members and the PLA are around. This is one of our major political assets. He urged the large number of Communist Party members and PLA commanders and fighters to always bear in mind the people's interests and continue to be in the vanguard of fighting disaster. In this way, the party and the government can work together with militarymen and civilians to win new victories in combating disaster.

Li Peng Phones Yang Rudai

HK0807030091 Chengdu Sichuan People's Radio Network in Mandarin 0915 GMT 2 Jul 91

[Excerpts] From the night of 28 June to the morning of 30 June, some 71 counties and districts in Sichuan's 16 prefectures, cities, and autonomous prefectures, including Chengdu, Mianyang, Fulin, Yaan, Luzhou, and Nanchong, were devastated by a rainstorm. In some areas, the rainstorm resulted in a flood disaster which damaged local industrial and agricultural productions as well as people's lives and property.

After the disaster broke out, party and government organs at all levels across our province meticulously organized the broad masses of people and troops to bravely fight against the disaster.

At 03:00 on 30 June, the Linshui County party committee and people's government called an emergency meeting of county-level leading cadres and principal responsible persons of various departments to discuss the work of fighting against flood and rushing to deal with emergencies. The meeting issued an emergency call to all cadres and the masses, calling on them to transfer people and important goods and materials away from the (Yanhe) area. The cadres of the county people's armed forces department as well as county public security police officers and policemen also went deep into the dangerous areas to organize the masses for the transfer [words indistinct], thereby guaranteeing the safety of the masses. [passage omitted]

Last night, State Council Premier Li Peng personally made a telephone call to Comrade Yang Rudai, provincial party committee secretary, asking about the flood situation. Premier Li Peng also asked Comrade Yang Rudai to pass his heart-felt appreciation to the people in the disaster areas. He expressed the hope that all the cadres and masses in the disaster areas of Sichuan will take practical measures to retrieve the losses caused by the flood, brace up, and rebuild their hometowns by relying on themselves.

Zou Jiahua Holds Emergency Meeting

OW0807195191 Beijing XINHUA Domestic Service
in Chinese 1243 GMT 8 Jul 91

[By reporter Wang Yanbin (3769 6056 1755); Local Broadcast News Service]

[Text] Beijing, 8 July (XINHUA)—The State Council held an emergency meeting on flood prevention and disaster relief in Beijing this afternoon. Zou Jiahua, vice premier of the State Council, asked governments at all levels and relevant departments to take further actions to fight floods and launch relief operations effectively.

At the meeting, Comrades Zhang Chunyuan and Chen Hong, respectively, of the State Flood Control Headquarters and the Ministry of Civil Affairs, made separate reports on this year's flood situation, flood prevention, and flood control and relief operations. Zou Jiahua delivered a speech.

Zou Jiahua said: This year's disasters are more serious than those in the past. On the one hand, some provinces and regions in the south experienced serious disasters for a protracted period of time; on the other, this year's flood season came early, and the floods raged for a long time. To date, the Huai He has experienced three substantial floods, and massive flooding has hit the Chu He, a tributary of the Chang Jiang, as well as Fengshui and the Shuiyang Jiang of Dongting Hu. The situation in the Taihu Basin, in particular, was very grim because two

successive spells of heavy rainfall raised the water level in Tai Hu above the record high of 1954. In addition, fairly serious partial rainstorms and floods struck some areas in Beijing, Heilongjiang, Inner Mongolia, Guizhou, and Hubei. Preliminary statistics compiled up to the end of June show that 18 provinces, municipalities, and autonomous regions in the country experienced floods. The floods affected 130 million mu of farmland, wreaking havoc on 72 million mu. They also toppled 650,000 houses, killed 847 people, and forced some submerged factories, mines, and enterprises to suspend operations and production. Traffic on some feeder rail lines was interrupted. Direct economic losses hit 16 billion yuan. Flooding and waterlogging took a heavy toll on the state and the people's lives and property.

The party Central Committee and the State Council showed great concern for the natural disasters that struck various localities this year. Leading Comrades Jiang Zemin, Li Peng, and Tian Jiyun successively visited the front lines of flood control and relief operations to express sympathy and to inspect work. Party and government leaders at all levels in the provinces, municipalities, and autonomous regions in question joined forces with the vast numbers of cadres and people to launch flood control and relief operations without fear of hardships and sacrifices. Provinces and municipalities took overall interests into account, combated floods in concert, closely cooperated with each other, and provided mutual assistance, thereby significantly mitigating losses from the floods and reducing casualties. Officers and men of the People's Liberation Army and the Armed Police Force, in particular, made tremendous contributions toward saving and protecting the state and the people's lives and property during the disaster control struggle.

To achieve greater results in flood prevention, flood control, and relief operations, Zou Jiahua urged governments at all levels and relevant departments to take further actions to do an effective job in fighting floods and in providing relief. He said: Currently, launching efficient flood control and relief operations constitutes an extremely important and urgent task for people's governments at all levels and various departments. All government departments should share the worries and concerns of the people in disaster areas. Their way of thinking should be based on concern for these people, their work style on a sense of responsibility, and their actions on resoluteness. Whichever department is tasked with relief operations should act immediately to concentrate on carrying out relevant tasks. It should by no means neglect and bungle its work. All departments, particularly those directly responsible for assisting in fighting floods, should conscientiously perform their duties in a profound spirit of responsibility. Meteorological and hydrological departments should take the initiative in providing timely information and forecasts on weather and flooding conditions as part of the effort to furnish accurate information for flood control and relief operations. Postal and telecommunications departments should protect communications facilities well and ensure unobstructed communications. The State Planning

Commission, the State Council's Production Committee, and financial, civil affairs, public security, agricultural, commercial, materials supply, petroleum, petrochemical, and electric power departments should perform their duties efficiently in allocating relief funds, materials and goods, and energy resources, and in maintaining public order. Railway, transportation, and civil aviation departments should ensure that the supply and transportation of relief materials is arranged on a priority basis. They should also do a good job in providing relief to the disaster victims and in helping the people in disaster areas to resume production and rebuild their homelands. Public health and medical departments should effectively prevent and treat disease by providing, without delay, the necessary medicines and medical supplies, and by working to prevent the spread of disease. Moreover, all departments should effectively carry out their tasks of fighting floods and providing relief. Railway and transportation departments should focus on protecting communications trunk lines efficiently and should repair flood-damaged projects promptly. Industrial, materials supply, and commercial departments should pay heed to waterproofing factory buildings, warehouses, facilities, and materials containers and to transferring them to other locations if necessary. Industrial and mining enterprises should actively adopt measures to prevent flooding and waterlogging and take actions to ensure safety and normal production. Construction departments should intensify efforts to prevent floods and waterlogging in cities, while water conservancy departments should step up efforts to manage and protect waterworks, promptly repair projects rendered dangerous and hidden hazards, and ensure safety in weathering the floods. Other departments should also efficiently perform their duties in preventing floods and providing relief. In addition, various departments should further strengthen coordination and cooperate well with each other. People's governments at all levels should keep in mind the need to prevent serious floods and disasters, fully prepare themselves mentally, and make good preparations in terms of organizational and procedural efforts. Implementing responsibility systems for administrative leaders at all levels is the key to success in flood prevention and control. Administrative leaders at all levels should personally attend to their jobs and assume the important task of fighting natural disasters. In fighting floods and launching relief operations, authorities in areas located on the upper and lower reaches of swelling rivers and those in various provinces, municipalities, and autonomous regions must take the overall situation into consideration, bear in mind national interests, and follow the State Council's unified commands. At present, it is necessary to conduct general inspections of preparations for flood prevention and to take immediate and effective measures to strengthen lax preparations. Leaders at all levels should promptly go to the front lines to organize and direct disaster fighting once dangerous conditions arise. In disaster areas, governments at all levels should make careful and practical arrangements for the people's

production and livelihood and regard those arrangements as major tasks. The State Council plans to form and send two working groups in charge of flood control and relief to Anhui and Jiangsu in the next two years to express sympathy and solicitude for the people in disaster areas and to help local governments solve practical problems facing their people.

Zou Jiahua said emphatically: This year is the first year for implementing the "Eighth Five-Year Plan" and the 10-Year Program. Effectively carrying out flood prevention and relief operations is extremely important for executing this year's plans for national economic development and for achieving social stability. People's governments at all levels and various departments must go all out to do an effective job in flood prevention and relief operations.

Today's meeting was presided over by Zou Jiahua. Li Guixian, Luo Gan, and responsible comrades from various departments concerned under the State Council attended the meeting.

Li Peng Signs Decree

*OW0807213191 Beijing XINHUA Domestic Service
in Chinese 0720 GMT 8 Jul 91*

[Decree No. 86 of the PRC State Council]

[Text] Beijing, 8 July (XINHUA)—The "Regulations of the People's Republic of China on Flood Prevention," adopted at the State Council's 87th executive meeting on 28 June 1991, are hereby promulgated. They take effect on the day of their promulgation. [Signed] Premier Li Peng [Dated] 2 July 1991

NPC Adopts Water, Soil Conservation Law

*OW0507050191 Beijing XINHUA Domestic Service
in Chinese 2346 GMT 29 Jun 91*

[PRC Water and Soil Conservation Law adopted by the 20th session of the Standing Committee of the Seventh National People's Congress on 29 June 1991]

[Text] Beijing, 29 Jun (XINHUA)—

Chapter I. General Principle

Article 1 This law is formulated to prevent and bring water and soil loss under control, protect and reasonably use water and soil resources, alleviate damages caused by floods, droughts, sand storms, improve the ecological environment, and promote production.

Article 2 The term of water and soil conservation referred to in this law means measures taken to prevent and bring under control water and soil loss caused by natural factors and human activities.

Article 3 All units and individuals have an obligation to protect water and soil resources, prevent and bring under control water and soil loss, and a right to inform against

any units or individuals who destroy water and soil resources and cause water and soil loss.

Article 4 In water and soil conservation, the state should carry out the principle of emphasizing prevention, formulating comprehensive programs, conducting overall prevention and control, suiting measures to local conditions, strengthening management, and paying attention to economic performance.

Article 5 The State Council and local people's governments should classify the work of water and soil conservation as an important job and duty and take measures to do an excellent job of preventing and controlling water and soil loss.

Article 6 The State Council's water administrations are responsible for the work of water and soil conservation across the country. Water administrations of local people's governments at or above county level are responsible for the work of water and soil conservation in their own jurisdictions.

Article 7 Water administrations of the State Council and local people's governments at or above county level should formulate water and soil conservation programs with relevant departments after conducting investigations and appraisals of water and soil resources. The water and soil conservation programs should be approved by people's governments of the same level. The water and soil conservation programs approved by local people's governments at or above county level should be reported for the record to the next higher people's governments' water administrations. Any revision of water and soil conservation programs should be approved by organizations that have approved the former programs.

People's governments at or above county level should include in their national economic and social development plans tasks set by water and soil conservation programs, appropriate special funds, and organize to carry them out.

People's governments at or above county level should, in accordance with the concrete situation of water and soil loss, delimit key areas of preventing and controlling water and soil loss and conduct major prevention and control projects.

Article 8 Any units or individuals who are engaged in production or construction activities which might cause water and soil loss must take measures to protect water and soil resources and are responsible for controlling and remedying water and soil losses caused by such activities.

Article 9 People's governments at all levels should strengthen the work of propaganda and education on water and soil conservation to spread scientific knowledge of water and soil conservation among the people.

Article 10 The state encourages scientific and technological research on water and soil conservation, promoting scientific and technological water and soil conservation,

spreading advanced technologies of water and soil conservation, and cultivating scientific and technological personnel of water and soil conservation in a planned manner.

Article 11 Any units or individuals who have achieved marked results in the work of preventing and controlling water and soil loss are to be awarded by people's governments.

Chapter II Prevention

Article 12 People's governments at all levels should organize the people to plant trees and encourage them to plant grass to enlarge forest coverage and increase vegetative cover.

Article 13 Local people's governments at all levels should, in accordance with local conditions, organize agricultural collective economic organizations and state-run agricultural, tree, and pastoral farms, plant firewood trees, forage grass, and green manure plants, and conduct in a planned manner such activities as closing hillsides to facilitate afforestation, rotation grazing, planting wind-breaks and sand binders, and protecting vegetative cover. Efforts should be made to prohibit reclaiming land by destroying forests or burning trees on mountains and removing sod from and excavating tree roots on slopes and in arid regions.

Article 14 It is prohibited to reclaim land from 25-degree slopes or steeper.

Provincial, autonomous regional, and municipal people's governments can issue regulations, in accordance to real conditions of their own jurisdictions, prohibiting reclaiming land from slopes of less than 25 degrees.

Specific areas where reclaiming land from slopes is prohibited will be delimited and announced by local people's governments at the county level.

Slopes already reclaimed and planted with crops before the promulgation of this law should, in light of real conditions and farmland improvement groundwork, gradually return to their natural conditions by planting trees, grass, or by building terraced fields.

Article 15 To reclaim land from slopes of less than 25 degrees and above 5 degrees, one must obtain approval from water administrations of people's governments at the county level. To reclaim land from state-owned slopes, one must first obtain approval from water administrations of people's governments at the county level before applying with people's governments at or above county level for reclamation.

Article 16 It is necessary to take reasonable measures suitable to local conditions to cut down trees. Strict control should be imposed on clear cutting. Measures for preventing water and soil loss should be taken in clearing areas and roads for hauling. Tasks for regenerating forests should be accomplished in a timely fashion after trees are cleared. In such protected forests as those for used to conserve water, for water and soil conservation,

for windbreaks, and for sand-fixation forests, only disengagement and regeneration cutting is allowed.

In the case of cutting trees in timbered areas, measures for conserving water and soil in the felling areas, formulated in accordance with the above-mentioned articles, must be included in clearance plans. After forestry administrations have approved the felling plans, water administrations and forestry administrations should supervise the implementation of the measures for conserving water and soil in the felling areas.

Article 17 Leveling land on slopes of 5 degrees or above for planting trees, nursing young growth, and planting economic tree crops such as tea-oil trees and Chinese wood-oil trees, one must take water and soil conservation measures to prevent water and soil loss.

Article 18 In building railway, highway and water projects, it is necessary to reduce damage to trees and vegetation to a minimum. Discarded gravel, rock and earth should be carried to designated areas and must not be dumped into rivers, lakes, water reservoirs or gullies not designated by the responsible department. Slopes on both sides of railway or highway should be protected by retaining walls or be reinforced by other land improvement measures. Upon completion of construction work, the excavation area and open space where gravel, rock and earth are dumped should be planted with trees or grass to guard against water loss and soil erosion.

In building mining enterprises, electric power enterprises and other large and medium industrial enterprises, discarded surface soil, gravel, tailings and dredges should be carried to designated areas and must not be dumped into rivers, lakes, water reservoirs or gullies not designated by the responsible department. Measures should be taken to restore topsoil and trees and vegetation damaged by mining and construction work in order to prevent water loss and soil erosion.

Article 19 When building railway, highway and irrigation projects, mining enterprises, electric power enterprises and other large and medium sized enterprises in mountainous area, hilly land or sandy areas, it is necessary to include a plan for water and soil conservation in the report on the environmental influence of the respective projects. Such a plan should be approved by the administrative departments in charge of water and soil conservation work. The plan for water and soil conservation should be formulated in accordance with the stipulations of Article 18.

The building of collective mining enterprises by villages and towns and mining operations by individual operators in mountainous areas, hilly land or sandy areas in accordance with the regulations of the Mineral Resources Law must have a water and soil conservation plan approved by departments in charge of water and soil conservation at the county level, before such mining projects can be approved.

The design, construction and operation of water and soil conservation facilities must be done at the same time as the design, construction and operation of the main project. The checking and acceptance of water and soil conservation facilities should also be done at the same time as the checking and acceptance of the main construction project. Departments in charge of water and soil conservation should take part in the process of checking and acceptance.

Article 20 Local people's governments at various levels should adopt measures to strengthen control over mining, earth digging and the excavation of gravel and rock to prevent water loss and soil erosion.

The digging earth and the excavation of gravel and rock in hazardous landslide areas and mud-rock flowing areas are prohibited. The scope of hazardous landslide areas and mud-rock flowing areas should be decided and announced by people's governments at and above county level.

Chapter III Management

Article 21 People's governments at and above county level should, according to their respective water and soil conservation plan, organize concerned administrative departments to tackle the problem of water loss and soil erosion in a planned manner.

Article 22 In areas eroded by water, it is necessary to establish a comprehensive prevention and management system to prevent soil erosion by formulating an overall plan for improving the natural gullies and sloping land on both sides of each small valley.

In areas eroded by wind, it is necessary to tap water sources to control sand, plant trees and grass, set up artificial protective screens, and establish sand-fixation forest networks to prevent damage by wind and sand.

Article 23 The state will encourage agricultural collectives and peasants to improve the situation of water loss and soil erosion in areas suffering from water loss and soil erosion. The state will implement the policy of assisting them with funds, energy sources, grain and other things. Specific methods will be stipulated by the State Council.

Article 24 Local people's governments at various levels should organize agricultural collective economic organizations and peasants to improve farmland on slopes greater than five degrees but lower than the prohibited degree of slope in a planned manner. It is necessary to construct irrigation facilities, build terraced fields and adopt soil conservation measures according to the local situation.

Article 25 In contracting collective land in soil erosion areas to individual operations, the responsibility of preventing water loss and soil erosion should be included in the contract.

Article 26 The improvement of waste mountainous land, waste gullies, waste hilly land, and waste shoals may be

contracted by agricultural collective economic organizations, individual farm operators, or a number of households.

Contracting the improvement of waste mountainous land, waste gullies, waste hilly land, and waste shoals should follow the principle that anyone who sign contract for the work should assume the responsibility for improvement and enjoy benefits as a result of such improvement.

Trees and fruit planted by contractors in improving the above-mentioned land will belong to contractors. Land increased as a result of the improvement work is to be used by contractors.

The state will protect the legitimate rights of contractors. If a contractor dies during the period of validity of the contract, the contractor's heir may continue to contract the work according to the stipulations of the contract.

Article 27 Various enterprises and undertakings should adopt water and soil conservation measures in construction work or production and should be responsible for remedial measures for loss of water and erosion of soil. If those enterprise or undertakings are unable to improve the situation, improvement work should be done by departments in charge of water administration. However, expenditures are to be borne by units which cause water loss and soil erosion.

The expenditures for preventing water loss and soil erosion in construction projects should be listed in the total investment of a capital construction project, while the expenditures for preventing water loss and soil erosion in the process of production should be listed in the total production costs.

Article 28 Water and soil conservation facilities built and trees and grass planted in areas with water loss and soil erosion should be checked and accepted by departments organized by people's governments at and above the county level.

It is necessary to strengthen the management and protection of water and soil conservation facilities, experimental farms and plots, trees and grass, and other improvement works.

Chapter IV. Supervision

Article 29 The departments in charge of water administration under the State Council should establish a supervision network for water and soil conservation to monitor and forecast the trend of water loss and soil erosion throughout the country and announce the situation.

Article 30 Water and soil conservation supervisory personnel of departments in charge of water administration of people's governments at and above the county level have the right to make on-the-spot inspections on water loss and soil erosion, and take remedial measures within their jurisdiction. Units and individuals being inspected must report their situation in an honest manner to water and soil conservation supervisory personnel and provide necessary working facilities for them.

Article 31 Disputes on water loss and soil erosion between different areas should be solved through negotiation. If the problem cannot be solved through negotiation, the matter will be handled by the people's government at a higher level.

Chapter V. Legal Responsibility

Article 32 Those who reclaim land and plant crops on slope land in violation of stipulations in Article 14 should be ordered by departments in charge of water administration at the country level to stop such activities and take remedial measures. They may also be fined.

Article 33 If an enterprise, establishment, and collective economic organization in agriculture, without the approval of the leading administrative department in water affairs under the county people's government, unilaterally reclaims a barren slope, which is below the slope level under which reclamation is banned and which is above 5 degrees, the leading administrative department in water affairs under the county people's government shall order it to stop reclamation and take remedial measures, and may impose fines.

Article 34 Those who remove earth, sand or rocks in areas designated by the local people's government at and above the county level as hazardous areas prone to avalanches, landslides, and mud-rock flow shall be ordered by the leading administrative department in water affairs under the local people's government at and above the county level to stop the abovementioned illegal activities, take remedial measures, and pay fines.

Article 35 In the case of those who fell trees in forest zones and cause serious soil erosion for failing to take measures for water and soil conservation, the leading administrative department in water affairs shall report to the people's government at and above the county level for a decision that orders the offenders to correct the situation within a set time limit and take remedial measures, and fines will be imposed.

Article 36 Enterprises and establishments that cause soil erosion in the process of construction and production, and that fail to remedy the situation may be fined according to the resulting harmful consequences, or may be ordered to suspend operation for remedial actions. The responsible persons concerned shall be subjected to administrative penalties by the units to which they belong or by the leading organ at the higher level.

The leading administrative department in water affairs under the county people's government shall report to the county people's government for a decision on the fine. The order to suspend operation for remedial actions will be decided by the city and county people's government. To suspend operation for remedial actions in enterprises and establishments under the direct jurisdiction of the central or provincial people's governments, it is necessary to report to the State Council or the provincial people's government for approval.

Individual miners who cause soil erosion and do not take remedial actions accordingly shall be penalized according to the two preceding provisions.

Article 37 Those who resort to violence and intimidation to obstruct supervisors in water and soil conservation from performing their duties according to the law shall be held accountable for their criminal responsibilities. Those who reject water and soil conservation supervisors and obstruct them from performing their duties, but who do not resort to violence and intimidation shall be penalized by the public security organs according to the provisions of the Regulations Governing Penalties for Public Security Violations.

Article 38 The party concerned who does not agree to the decision on administrative penalties may, within 15 days after receipt of the penalty notice, apply for a review to the organ at the next higher level than the organ that adopted the penalty decision. The party concerned may also, within 15 days after receipt of the penalty notice, directly file a lawsuit at the people's court.

The reviewing organ shall make a review decision within 60 days after receipt of the application for a review. The party concerned who does not agree to the review decision may, within 15 days after receipt of the review decision, file a lawsuit at the people's court. If the reviewing organ fails to make a review decision within the set period, the party concerned may, within 15 days after the expiration of the review period, file a lawsuit at the people's court.

If the party concerned does not apply for a review, file a lawsuit at the people's court, or implement the penalty decision within the set period, the organ making the penalty decision may call on the people's court to forcefully implement the decision.

Article 39 Those who cause soil erosion hazards are responsible for eliminating the hazards, and compensate the units and individuals who directly suffer losses due to the hazards.

Disputes on the responsibility and amount of compensation may be handled by the leading administrative department in water affairs if the party concerned so requests. The party concerned who does not agree with the decision on handling the case may file a lawsuit at the people's court. The party concerned may also directly file a lawsuit at the people's court.

If, due to irresistible natural disaster and despite prompt and reasonable measures taken, soil erosion hazards still develop as an inevitable consequence, the perpetrators shall be exempt from responsibilities.

Article 40 Water and soil conservation supervisors who neglect their duties, abuse power and inflict damage on public property as well as the interests of the state and the people shall be subject to administrative penalties by the units to which they belong or by the leading organ at

the higher level. Those whose offenses constitute a crime shall be held accountable for criminal responsibilities.

Chapter VI Supplementary Provisions

Article 41 The State Council shall formulate the regulations for implementation based on this law.

Standing committees of the provincial, autonomous regional and municipal people's congresses may formulate measures for implementation based on this law and the actual conditions of their own localities.

Article 42 This law takes effect on the day of promulgation. The "Regulations on Water and Soil Conservation" promulgated by the State Council on 30 June 1982 will be nullified at the same time.

Appendices:

Related clauses of the law

Related articles in the Criminal Law

Article 157 Whoever, by violent or threatening methods, obstructs state personnel from carrying out their functions according to law, or refuses to carry out judgments or orders of people's courts that already have become legally effective, is to be sentenced to not more than three years of fixed-term imprisonment, criminal detention, a fine or deprivation of political rights.

Related provisions in the Regulations on Penalties for Public Security Violations

Article 19 Whoever has any of the following behaviors that interfere with public order and do not justify criminal penalties shall be detained for not more than 15 days, fined for not more than 200 yuan, or served a warning:

(7) Reject state functionaries and obstruct them from carrying out their functions according to the law, but do not resort to violence and intimidation.

Social Scientist on Increase in Ethnic Population

HK0307064491 Beijing CHINA DAILY in English
3 Jul 91 p 4

[By Zhai Feng]

[Text] The fast growth of the country's ethnic population during the last decade has hindered local economic development and must be cautiously brought under control, a social scientist said.

According to China's 1990 census, the ethnic population leapt from 55.8 million in 1978 to 91.2 million in 1990. Of the 55 minorities in China, 18 have more than one million people. The ethnic population rose from 5.82 percent of the nation's total in 1978 to 8.04 percent in 1990.

"The hefty increase has adversely affected the progress to improve living standards of minority nationalities," said Zhang Tianlu, a professor at the Beijing College of Economics, in the third issue of the bi-monthly journal,

Social Sciences in China, published by the Chinese Academy of Social Sciences.

Today, nearly 20 percent of the Chinese minority nationalities population do not have decent food and clothing, Zhang claimed.

He cited as an example that the grain output of the Buyi and Miao Nationalities Prefecture in Southwest China's Guizhou Province had risen 109.1 percent during the past few decades, whereas the population had increased by 175.5 percent.

Arable land shortage in minority regions is another result of excessive population growth as farmers in ethnic regions destroyed grasslands or chopped down forests for quick profits.

About 51.3 million hectares of grassland in minority areas have deteriorated or turned into desert since the 1950's.

"While the ethnic population surged, its general quality has declined," Zhang said.

The number of school-age children attending classes has declined, with the rate sliding to 16 percent in 1987 from 18.4 percent nine years earlier.

The number of ethnic minority people with junior high school and higher education has further decreased.

A sample survey showed that only 20 percent of the ethnic population had received junior high school and higher education in 1987, 10 percentage points lower than the national average.

The 1990 census indicated that the number of minority illiterates and semi-literates aged 12 and above had climbed from 19.6 million in 1982 to 22 million in 1987, and that 66 percent were female.

There are two causes for the decline in quality of the ethnic population, Zhang stated.

Educational development in minority areas has not kept pace with the rapid population growth in the past; on the other hand, many "short-sighted" parents have dragged their children out of school to earn money, while many of the teachers are moonlighting because of their low income.

On the rapid population growth of ethnic minorities, the scholar said the family planning policy had not been implemented in those regions as strictly as in the Han populated areas.

In 1971, the nation asked the Hans to carry out the family planning policy. In contrast, minorities in the Xinjiang Uygur and Inner Mongolia autonomous regions adopted the policy as late as 1988.

However, some minority areas, where the population is sparse, have still not instituted the family planning policy. Ethnic farmers and herdsmen in the Tibet Autonomous Region, for example, are free to bear as many children as they want.

As a rule, one Han nationality couple is allowed to give birth to one child. A couple where either husband or wife or both belong to a minority group can raise two to four children in places where the birth control policy is officially being carried out.

It is now fairly urgent to properly implement the family planning policy in the minority areas so as to bring the situation under control and pull ethnic people out of poverty, Zhang added.

Science & Technology

Wang Zhen Attends High-Quality Products Exhibit

OW1606100391 Beijing Central Television Program
One Network in Mandarin 1000 GMT 14 Jun 91

[From the "National News Hookup" program]

[Text] The first Chinese high-quality products exposition, jointly organized by the China International Science and Technology Promotion Council and the China International Trade Center, opened at the China International Trade Center in Beijing today. Vice President Wang Zhen attended the opening ceremony of the exposition.

Nearly 1,000 brand-name, new, high-quality, and patented scientific and technological products from 400 enterprises in 27 provinces and cities including Beijing, Shanghai, and Tianjin Municipalities were displayed at the exposition. The products displayed at the exposition are characterized by a combination of modern technology and traditional technology. This shows that China's national industry is developing in the direction of modernizing its manufacturing process through the application of science and technology.

Song Jian Praises Weihai's Hi-Tech Development

SK0907040391 Jinan Shandong People's Radio
Network in Mandarin 2200 GMT 8 Jul 91

[Excerpts] Weihai City has actively acted in line with the principle of high standard and high efficiency, and paid attention to both preparation and operation in the course of accelerating the construction of the high-technology industrial development zone. During his inspection tour to Weihai City on 5-6 July, Song Jian, state councillor and minister of the State Science and Technology Commission, praised the Weihai Torch High-Technology Industrial Development Zone for taking early action, making rapid progress, setting a high starting point, and having boldness of vision.

In June last year, the State Science and Technology Commission, the provincial government, and the Weihai City People's Government jointly established the Weihai Torch High-Technology industrial Development Zone. In March this year, the establishment of this development zone was approved by the State Council and was included in the ranks of the country's 27 high new-technology industrial development zones. Under the situation in which the time was

pressing and the tasks were heavy. Weihei City paid attention to preparations and operation, established management organs in line with the principle of recruiting capable and efficient personnel, and enabled the management committee in the development zone to go into operation within a short period of time. The city party committee and the city government have actively harmonized contradictions, made overall arrangements, and mobilized all trades and professions to fight a good battle in building the development zone. The provincial party committee and the provincial government have also dispatched principal leaders to lead departments concerned to the development zone to work on the spot on several occasions to help solve practical difficulties. This move has accelerated the construction of the development zone. [passage omitted]

At the same time, the development zone has also strengthened the building of the less tangible aspects of the investment climate and formulated and issued preferential policies in seven aspects including tax revenue, credit, land utilization and import and export management. The high working efficiency and the good tangible and intangible conditions have attracted a great number of investors. Some institutions of higher learning at home, including Shandong University, Shandong Engineering University, and Nanjing Chemical Industrial Institute, have decided to go to the development zone to run the science and technology center. Some companies from the United States, Japan and other countries and regions have also brought projects to the development zone and made investment there. At present, five high-grade, precision and advanced items have entered the development zone, involving a total investment of 201 million yuan. After being put into production, these items will create 14 billion yuan in annual output value, and 247 million yuan in profits and taxes. Plus the prepared items, the total number of items in the development zone will reach 20.

Successes Seen in Hi-Tech 'Torch' Projects

HK0607055291 Beijing CHINA DAILY in English
6 Jul 91 p 1

[By staff reporter Wang Donghai]

[Text] China's "Torch Plan," a hi-tech-oriented development programme initiated in 1988 by the State Commission of Science and Technology, has achieved fruitful results in more than 2,000 projects during the past three years.

The projects are mainly focused on turning new hi-tech research results into products or re-equipping industries with high technology to gradually phase out obsolete production lines.

The government hopes that through the Torch Plan, enterprises producing high technology products could expand quickly and eventually produce a major portion of the country's industrial output and export goods by the end of the century.

The government has already poured billions of yuan into the programme since 1988, and officials are hopeful that the goal can be reached on schedule.

According to officials in the Torch Office under the State Science and Technology Commission, priority is being given to the development of new materials, biotechnology, electronics and information, mechanical electronics, new energy sources, the saving of energy, environmental protection, and other high technology.

The officials noted that the "Torch" projects were divided into state-level projects and projects managed by local governments.

At present, there are about 880 projects managed at the state level and more than 1,000 projects managed by local governments.

Investment in the projects totalled about 6.3 billion yuan (\$1.18 billion) from the start of the Torch Plan in 1988 to the end of last year.

By now, officials said, the central government has provided loans totalling some 2 billion yuan (\$370 million) to help fund the projects, and local governments have also made loans.

According to the economic policy of the Torch Plan, the ratio of investment and output should be about one to five; and profits should be about 25 percent of the income from sales of the products.

High technology projects, with close co-operation between enterprises and research institutes, have already shown their worth, officials said.

For example, they said, an electronics technology research institute in Harbin turned out an output value of 5.7 million yuan (\$1.1 million) in 1990 by producing a sophisticated device used in measuring liquid density.

Officials said the institute was a good example in turning a research institute into a profit-making institute by combining research with production.

A bulb factory in Hunan Province, which used to be a small factory on the verge of bankruptcy, developed a new type of headlight for automobiles, and now has a yearly production value of 31 million yuan (\$6 million) and a yearly profit of 6.45 million yuan (\$1.2 million).

Another product, an energy-saving light made in Guangdong Province was so popular that the factory could not keep up with demand.

Senior Scientist Urges Scientific Development

OH0907010491 Beijing XINHUA in English
0021 GMT 9 JUL 91

[Text] Beijing, July 9 (XINHUA)—A senior Chinese scientist urged all Chinese scientists to rely on their own efforts to develop China's science and technology while learning from advanced countries.

Addressing a national conference on science and technology held on May 23, Qian Xuesen, former president of the Chinese Association for Science and Technology, was quoted by "PEOPLE'S DAILY" [BEIJING RIBAO] as saying, "in the current fierce economic competition, we can not expect to gain the most advanced technology directly through imports."

He said, "even if we could import some advanced technology, we would have to digest and develop it by ourselves."

Urging scientists to promote ties between technology and the economy, Qian advocated the development of agricultural production through science and technology.

He encouraged scientists to train farmers in agricultural science and technology, and to try to popularize practical farming techniques.

While speaking on the application of science and technology in industries, Qian stressed the importance of depending on science and technology to develop enterprises.

Meanwhile, he also urged his colleagues to develop high technology according to the state plan.

Moreover, he said that adequate attention should be paid to the stable development of basic scientific studies, since they will directly influence the future development of China's industries and science and technology.

Academy of Sci-Tech Development Established

*OW0507172491 Beijing XINHUA in English
1317 GMT 5 Jul 91*

[Text] Shenzhen, July 5 (XINHUA)—The signing ceremony for the establishment of the academy of science and technology development in this special economic zone was held here today.

Vice Minister of the State Science and Technology Commission Li Xue, Vice Governor of Guangdong Province Lu Zhonghe and the Vice Mayor of Shenzhen City Zhu Yuening, signed the agreement.

The establishment of the academy is aimed at enhancing the commercialization and internationalization of the research achievements of the country by combining the research advantages of China's mainland, Shenzhen and Hong Kong and Macao.

At present, the country has more than 4,500 research academies and institutes and 450 science and technology colleges and universities with a total of 1.1 million technical workers.

The three partners will aid the academy with funds, preferential policies and research work. The academy itself is responsible for raising funds from both home and abroad, and will be independent in management and responsible for its profits and losses.

Li said that those enterprises who give support for the construction of the academy will enjoy preferential services.

Several hundreds of personnel from science and commercial circles of China's mainland, Hong Kong and Macao attended the ceremony.

Increase Seen in Nongovernmental Sci-Tech Entities

*OW0307035491 Beijing XINHUA in English
0131 GMT 3 Jul 91*

[Text] Beijing, July 3 (XINHUA)—The number of non-governmental industrial entities in the science and technology field in China has increased to 15,000.

The volume of sales of these enterprises reached six billion yuan last year, according to today's "CHINA YOUTH NEWS" [ZHONGGUO QINGNIAN BAO].

About 1,000 of these enterprises are export-oriented, with their export value amounting to 100 million U.S. dollars a year.

Nearly 80 percent of the enterprises are collectively owned, while the other 20 percent are privately owned, the newspaper reported, quoting sources at the first meeting of the Second Council of the China Association of Nongovernmental Science and Technology Industrialists, which closed here Tuesday.

Military

Li Ximing Addresses Rally, Confers Honorary Title

*SK0107054891 Beijing BEIJING RIBAO in Chinese
8 Jun 91 p 1*

[By reporter Cao Jing (2580 7234): "The Central Military Commission Confers Honorary Title 'Model in Learning From Lei Feng' on Li Zhiyun"]

[Text] The Central Military Commission conferred an honorary title of "Model in learning from Lei Feng" on Li Zhiyun, doctor of a medical team of a certain unit under the Beijing Military Region. The Beijing Military Region held a rally on 7 June to confer the honorary title.

When serving as a platoon leader in 1981, Li Zhiyun was seriously wounded and became blind when he was trying to remove unignited shells singlehandedly for the safety of other soldiers. After that, he exerted ceaseless efforts to improve and overcame the difficulties unimaginable to ordinary people to master massotherapy. He gave medical treatment to more than 26,000 people without charge and enabled more than 400 weak sighted and nearsighted children to improve their sight. Zhang Gong, political commissar of the Beijing Military Region, praised him as an outstanding youth of the new period, a model of revolutionary soldiers and an outstanding communist member.

Wang Chengbin, commander of the Beijing Military Region, presided over the rally, and Yu Yongbo, deputy

director of the General Political Department, read an order signed by Jiang Zemin, chairman of the Central Military Commission, on conferring the title of "Model in learning from Lei Feng" on Li Zhijun and three other comrades and issued first-class commendatory medal, commendatory letter, and certificate to Li Zhijun.

Li Ximing, member of the Political Bureau of the party Central Committee and secretary of the municipal party committee, attended to give a speech. He said: Comrade Li Zhijun has worked selflessly because he cherishes ardent love for his work, has worked indomitably because he cherishes ardent love for his life, and has made selfless sacrifices because he cherishes ardent love for the people. His exemplary deeds should be learned from and publicized not only in the Army but also in various localities and the capital. On behalf of the municipal party committee and government, Comrade Li Ximing extended congratulations to Comrade Li Zhijun for winning the honorary title of "Model in learning from Lei Feng."

Chen Junsheng at National Two Support Meeting

OW0707222591 Beijing XINHUA Domestic Service
in Chinese 1220 GMT 6 Jul 91

[By Luo Yuwen (5012 3768 2429)]

[Text] Beijing, 6 July (XINHUA)—The national Leading Group for Work in Supporting the Army, Giving Preferential Treatment to Families of Servicemen, and Supporting the Government and Loving the People held its first plenary session in Beijing today.

Participants in the meeting held that those involved in national "two support" work should strive to achieve new results aimed at consolidating and developing a new type of Army-government and Army-people relations characterized by "breathing the same breath, sharing the same lot, and uniting their heartbeats as one" and provide important political guarantees for social stability and economic development.

Comrades attending the meeting held that the establishment of the national "two support" work leading group fully shows the high level of importance attached by the party and the state to doing a good job in "two support" work and in strengthening unity between the Army and the government and between the Army and the people in the new period. It also shows the common wish and demand of a large number of servicemen and people for promotion of national "two support" work to a new stage.

The "Opinion on Carrying Out In-Depth Activities on Creating Two Support Model Cities (Counties)" was adopted in principle at the meeting. The meeting also decided to name a number of national "two support" model cities (counties) between 1 January and next year's Spring Festival.

Chen Junsheng, state councilor and leader of the national "two support" leading group, spoke at the

meeting. He said that a very important concept was raised at the national "two support" work conference in January this year. This was the need to give full recognition to the strategic significance of supporting the Army, giving preferential treatment to the families of servicemen, supporting the government and loving the people; and the need to provide important political guarantees for strong unity between the Army and government and between the Army and the people in socialist modernization construction. He noted that the last decade of this century will be very critical to the historical course of our country's socialist modernization construction. Living in such a major historical period, we need tighter unity in the party and among all nationalities than before; we need all servicemen and people to be of one heart and mind and to engage in hard struggle so as to overcome all sorts of difficulties that may lie in our path of advance. We should proceed from the high plane of realizing the second-step strategic objective of socialist modernization construction; consolidating the socialist system and maintaining the long-term stability of the state; doing "two support" work with high standards; constantly enhancing unity between the Army and the government, between the Army and the people; and strenuously striving for the stability and development of the state and for building and reform in the Army.

Chen Junsheng called on all members of the national leading group for "two support" work to earnestly fulfill the responsibility entrusted to them by the CPC Central Committee, the State Council, and the Central Military Commission; fully give play to the leading group's roles in organization, consulting, coordination, and guidance; and constantly promote "two support" work.

Cui Naifu, deputy head of the National Leading Group for "Two Support" Work, also spoke at the meeting.

Series on Deng Xiaoping's Jiangxi March

OW0207175791 Beijing XINHUA Domestic Service
in Chinese 1126 GMT 2 Jul 91

[Text] Beijing, 2 Jul (XINHUA)—Historical facts on the 1930 northward march to Jiangxi by the Seventh Army of the Red Army commanded by Comrade Deng Xiaoping have been made into a television series entitled "Expedition." This "teaching material on party history in the form of images" has attracted the attention of film circles and audiences since its release during the 70th anniversary of the party's founding.

The seven-part television series, lasting approximately four hours, narrates the period from 1930 to 1931, during which the "left-leaning Li Lisan Line" was implemented, the Seventh Army of the Red Army embarked on the solemn and stirring trek, and the strong force led by Deng Xiaoping and Zhang Yunyi succeeded in reaching the central Soviet area after practicing criticism and discarding the erroneous line. Critics have said that this plain and simple work uses a particular perspective to depict the hardships and setbacks in building the

CPC, recounts this segment of history which was written with lives and blood, and has provided ample inspiration to the people.

Comrade Deng Xiaoping's early revolutionary career is shown in this television series. The images of Zhang Yunyi and Li Mingrui, two generals who sacrificed their lives for the revolution, reappear on the screen after documented facts were given artistic treatment. The prudent and serious attitude toward the series' production has won approbation, and critics say that it is yet another attempt at creating a work with historical themes on the revolution.

Director Li Xiaolong said: Driven by intense inner emotions, people involved in producing the series assessed the historical period in point as fairly and objectively as possible.

"Expedition" is a sister production to the movie "Baise Uprising." It was shot by Guangxi Film Studio. Hou Yuzhong wrote the script, and Lu Qi portrayed Deng Xiaoping.

Zhao Nanqi Writes Preface to Logistics Book

OW0307222291 Beijing XINHUA Domestic Service
in Chinese 0328 GMT 2 Jul 91

[By Guo Diancheng (6753 3013 2052)]

[Text] Beijing, 2 Jul (XINHUA)—General Zhao Nanqi, who is a member of the Central Military Commission, has invited writers to write articles about experts and professors working on the Army's logistics front. "Stars of the Red Cross," the first book of such articles, has recently been published by the Liberation Army Literature and Art Publishing House.

In the form of reportage, the book gives an account of the touching deeds of 10 prominent medical experts inside and outside the country. They are burn expert Li Ao, gall and liver surgeon Wu Mengchao, orthopedist Lu Yupu, otolaryngologist Jiang Sichang, dentist Chen Hua, anatonomist Zhong Shizhen, physiologist Cai Qiao; health care expert Mou Shanchu, virologist Yin Zhen, and biomedical engineer Huang Cuifen.

In a preface to the book, Zhao Nanqi said: "The life of these experts and professors epitomizes a song in praise of truth, goodness, and beauty. They have not only earnestly studied the mysteries of life but also explored the true meaning of living; they have not only a meticulous scholarship but also strong political belief; and they have not only created medical miracles but also set good examples for people. A dedication to career, the pursuit of truth, a stoic attitude toward material needs, and loyalty to the country are their most outstanding qualities."

Army Publishes Book on Zhou Enlai's Deeds

OW0507163591 Beijing XINHUA Domestic Service
in Chinese 0604 GMT 4 Jul 91

[Text] Beijing, 4 July (XINHUA)—*Zhou Enlai, the People's Servant*, a book the title of which was inscribed by Li Xiannian, chairman of the National Committee of the Chinese People's Political Consultative Conference [CPPCC], was published by the Liberation Army Publishing House recently.

The book is a collection of stories vividly describing how Zhou Enlai, for the sake of the cause of the party and the people, spared no pains to go deep into the realities of life, carry out investigation and study, show his concern for the masses, and develop democracy. It shows how he led a plain life and was honest in performing official duties during his tenure as premier. It fully reflects Premier Zhou Enlai's revolutionary spirit in serving the people wholeheartedly, working his heart out, and sparing no effort in performing his duties.

A forum on the book was held at the CPPCC hall this morning. In their speeches, Gu Mu, Cheng Siyuan, and other comrades recalled with deep feeling Premier Zhou's lofty quality, noble character, and sterling integrity. In his letter to the forum, Liu Lantao said: As a model Communist Party member and the people's servant, Zhou Enlai stands as a monument for the people who will shine forever. *Zhou Enlai, the People's Servant* provides good teaching material for the people to emulate Premier Zhou and struggle until the end for the cause of communism.

Navy Conducts Party Anniversary Activities

HK0607055091 Beijing RENMIN RIBAO in Chinese
30 Jun 91 p 3

[By Zhang Zenan (1728 3419 0589) and Hu Hongbo (5170 3163 3134); "PLA Navy Vigorously Conducts Activities on 'Guards of Territorial Waters Being Devoted to Party'"]

[Text] On the eve of 1 July, the party's birthday, the series of activities on "Guards of Territorial Waters Being Devoted to the Party," with "knowing, loving, and having faith in the party" as the main theme, have set off a new upsurge in naval units. Both officers and men are enthusiastically celebrating the 70th birthday of the party in numerous forms. For example, hundreds of thousands of naval officers and men are studying party history, 3,000 groups are going the rounds to talk about traditions, 100 generals are giving party lectures or study guidance in grass-roots units, and flags are hanging everywhere on the vast territorial waters.

The current celebration activities are rich and colorful and have great momentum. The knowledge competition on "The Party Is in My Heart" organized by the political department of the Navy has received a total of 28,000 written answers. The cultural department has organized a study activity called "The Shining Golden Anchor"

and many other recreational and sports activities. The photo exhibition called "Party Members's Graceful Demeanor" has displayed the heroic bearing of over 30 outstanding Communist Party members. The Navy has also solemnly commended 10 outstanding pacesetters among Communist Party members, including Feng Zuanshu, the "Mother of Captains" who has devoted himself to marine undertakings for 42 years and brought up nearly 10,000 cadets, 100 captains, and a dozen or so generals, and Li Honghai, "Iron Man at the Bottom of the Sea," as well as 28 advanced primary party branch committees and model party affairs workers.

On 22 June, the organs under the Navy held a singing soiree called "The People's Armed Forces Are Loyal to the Party," at which Navy Commander Zhang Lianzhong, Political Commissar Wei Jinshan, and a dozen or so generals, together with 1,000 officers and men, sang "Without the Communist Party There Would Be No New China."

Hainan's Deng Hongxun Watches PLA Art Troup

HK0607084691 Haikou Hainan People's Radio Network in Mandarin 2300 GMT 3 Jul 91

[Text] Yesterday evening [3 July], the People's Liberation Army Hainan Provincial Command Amateur Artistic Troupe, which just came back to Hainan with reputation after taking part in the theatrical festival held in Guangzhou by the Guangzhou Military Area to mark the CPC's 70th founding anniversary, gave the first report-back performance at the provincial party committee assembly hall. Cadres of offices under the provincial party committee and government watched the performance. Deng Hongxun, Liu Jianfeng, et al were on hand.

The performance had a unique style and was well received by the audience. When the performance was over, Deng Hongxun and other leading comrades mounted the stage and shook hands with the actors and actresses, congratulating them on their successful performance. It is reported the troupe is to tour Army units stationed all over the island.

Hubei Militia, PLA Combat Flooding

HK0907073091 Wuhan Hubei People's Radio Network in Mandarin 1130 GMT 8 Jul 91

[Excerpts] The 600,000 militia and PLA officers and men in Hubei Province have formed 923 emergency squads to go to the forefront of combating floods, building dikes, reinforcing dams, transporting flood-control materials, and transferring the masses to safer places. Up to yesterday, they had repaired 2,598 river dikes and irrigation ditches, totaling 25.3 km; and transferred more than 11,000 people to safer places.

Since 29 June, severe rainfalls have afflicted most areas of the province. The provincial military district immediately organized all military sub-districts; divisions; brigades; and people's armed forces departments at the

city, county, and prefectural levels, totalling more than 600,000 militia, officers, and men, to combat floods and deal with emergencies [passage omitted].

At present, troops stationed in Hubei have prepared in terms of organization and command, movement of troops, deployment of reserve forces, telecommunications, logistics support, and [words indistinct] and demolition. Standing in combat readiness, officers and men garrisoned in various stations are waiting for the arrival of greater floods from the Chang Jiang.

Shanghai Meeting on Party Control Over Military

OW0707102691 Shanghai People's Radio Network in Mandarin 0900 GMT 6 Jul 91

[From the "News and Weather" program]

[Text] A Shanghai municipal meeting on the party's control over the Armed Forces concluded today. In order to further strengthen the party's absolute leadership over the Armed Forces under new conditions and to bring about a constant improvement in the building of Shanghai's reserve defense capability, the two-day meeting summed up the party's exercise of control over the Armed Forces in Shanghai in the past five years since the People's Armed Forces Department [PAFD] was turned over to local authorities.

Leaders of the Nanjing Military Region and Shanghai Municipal Party Committee and Government attended the meeting. Since the PAFD's transfer to local authorities, party committees and governments at various levels throughout the municipality have placed militia reserve service on their agenda while concentrating their efforts on economic development. Marked results have been achieved in the building of people's Armed Forces in the municipality.

Over the past five years, four units and five individuals from Shanghai have been commended by the Ministry of National Defense as advanced units and individuals at the national level in militia reserve service. Four PAFD units have been named as advanced units by the Nanjing Military Region; twelve haven been named advanced PAFD units of Shanghai.

Xinjiang Military Studies Jiang Zemin Speech

OW0607154391 Urumqi Xinjiang Television Network in Mandarin 1555 GMT 5 Jul 91

[From the "Xinjiang News" program]

[Text] On the evening of 3 July, the standing committee of the Xinjiang Military District Party Committee earnestly studied comrade Jiang Zemin's speech made at the rally to mark the 70th anniversary of the founding of the CPC. Standing committee members held that Comrade Jiang Zemin's important speech is the political statement of the third generation leading group of the party Central Committee to lead the whole party in

progressing toward new goals, the action plan for the construction of socialism with Chinese characteristics, as well as the ideological and operational guideline for the entire armed forces, the whole party, and all people of the nation. [video shows a group of men in military uniforms holding discussion in meeting room]

By reading the text of the entire speech, the party standing committee members of the military district clearly understood that we can only make the nation strong, revive the nation, and create wealth for the people by persisting in treading the path of socialism under the leadership of the CPC, and that integrating the universal truth of Marxism with the comprehensive practicality of China's revolution and construction is the basis for our success and our road to victory. They have also fully understood the historic mission of contemporary CPC members and the goals and basic requirements of political, economic, and cultural construction of socialism with Chinese characteristics; the severe challenges faced by our party in the new historical period; and the extreme importance of fortifying party building.

During the course of studying the speech, the standing committee members were deeply encouraged by Comrade Jiang Zemin's high praise for the troops; they expressed their confidence in troop construction work. Standing committee members unanimously held that we must make studying of the speech the present political task for party committees at all levels and for the troops. We must integrate the troops' practical work with ideological education and follow the guidelines of the speech to investigate, identify, and overcome inadequacies in order to achieve political competence, perfect our military quality, foster an outstanding style, strictly enforce discipline, guarantee the effectiveness of work, and work hard to carry out the sacred duty of safeguarding and constructing the border entrusted to our region's troops by the party and the people.

Development of Strategic Missile Force Viewed

OW0407012991 Beijing Central People's Radio Network in Mandarin 1500 GMT 3 Jul 91

[Text] After 25 years of hard work, China's strategic missile units are now capable of launching missiles under all kinds of complex situations. These units are now equipped with various types of missiles and have a large number of supporting bases of different sizes and with different launching facilities.

China's strategic missile units were established officially on 1 July 1966. They were named at that time by the Central Military Commission as the Second Artillery Force. This name is still in use today.

Since its establishment, the vast number of officers and men of this modern force have not disappointed the party and the people. They have worked hard for several decades in sparsely populated plateaus, mountains, and deserts and built a large number of modern bases with offensive, defense, and storage capacity.

The Second Artillery Force has a technical force made up primarily of chief engineers. Advanced science and technology has been in use in the feasibility study, development, testing, and designing of weapons as well as in launching, maintaining, and managing them. Over the last four years, units under the Second Artillery Force have successfully launched many missiles of different types, and all missiles hit their targets accurately.

The Second Artillery Force also has strong support to ensure fighters' living necessities and command from the rear in time of war. It also has the readiness to deal with emergencies and provide logistics support in battlefields.

Army, Navy, Air Force Hold Joint Sea Exercises

HK0507131791 Hong Kong ZHONGGUO TONGXUN SHE in English 1041 GMT 5 Jul 91

[“Chinese Navy’s Successful Combined Forces Sea, Land and Air Manoeuvres”—ZHONGGUO TONGXUN SHE headline]

[Text] Beijing, July 5 (HKCNA)—The “Liberation Army” newspaper [JIEFANGJUN BAO] today reported that China's navy successfully carried out combined forces manoeuvres involving the Air Force, the Navy and the Army during recent sea operations.

The operations were undertaken by a mixed fleet of ships including various types of warships, auxiliary vessels and airtroops being moved to take up guard duties, the running of supplies under battle conditions and flexible emergency repairs. The fleet also organized several mixed groups of shock troops in the Yellow Sea and the Bohai Sea waters to carry out defensive exercises on the sea, underwater and in the air. Artillery groups along the coast also coordinated with the fleet to carry out multi-directional enemy locating and blockading.

The manoeuvres also included aggressive anti-submarine attacking. Shipborne helicopters involving submarine rescues and air drops of supplies were the first of their kind to be practised. All of the tactical exercises were totally successful in this series of manoeuvres.

Patrol Boat Unit Party Committee Commended

HK0507152491 Beijing RENMIN RIBAO in Chinese 30 Jun 91 p 4

[Report by XINHUA Reporter Huang Caihong (7806 1752 5725), staff reporter Cao Zhaoqin (2580 3564 3830); “People's Liberation Army (PLA) General Political Department Commends Certain Mosquito Boat Unit Party Committee”]

[Text] In the course of reform and opening up, a certain mosquito boat unit party committee of the naval forces stationed in Hainan Special Economic Zone has strengthened party building, done well in seriously grasping anticorrosion education in the ideological

realm, and achieved remarkable results. A few days ago the PLA General Political Department commended this unit party committee.

Guaranteeing that this PLA unit is qualified politically, over the past few years, this PLA unit party committee has first done well in grasping ideological and theoretical building of party organizations at all levels and organized the officers and men to study Marxist theory systematically. Since 1988, based on realities, the unit's party committee has run 25 training courses and organized members of party committees at or above the regimental level, and secretaries of grass-roots party branches to systematically study Marxist theory, centered on three special subjects—adhering to the four cardinal principles, adhering to socialist convictions, and adhering to the party's absolute leadership over the Army, thus further theoretically enhancing their ability to distinguish between right and wrong. At present, all members of party committees of ships' detachments and of party committees at and above the regimental level have received theoretical training and secretaries of grass-roots party branches have also been universally trained.

Doing well in vigorously grasping anticorruption education in the ideological realm and doing a good job in the antipeaceful evolution offensive is another important measure of the mosquito boat unit party committee in strengthening political building. This PLA unit party committee insists on beginning with positive education and conducts in-depth education on the proletarian outlook on life and moral concepts, to carry forward socialist morality and practice in PLA units; extensively carries on education in law and discipline and uses party discipline and army discipline to standardize thinking, words, and deeds of the officers and men; strengthens education in national defense and stresses that the interests of the motherland are above everything else. The PLA unit party committee invited the Nansha deeds report group to tour the unit to give lectures on many occasions, disseminate the spirit of the Nansha island defense officers and men in working hard to pioneer a great cause and their spirit of cherishing the country, devotion, fighting bravely, unity, and cooperation. The PLA unit party committee has carried on the activities of "allowing the Nansha spirit to shine at their posts and strive to become the Nanhai guards" among party members and set five advanced party-member cadres, including engineer Yan Qiyu, as pacemakers, who have put roots on the island for 28 years and been pleased to devote themselves to the grass-roots units. The PLA unit has also extensively carried on healthy and useful cultural and entertainment activities and asked local university and middle school students to carry out "special economic zone armyman image" speech and singing activities, together with it. This both enriches the PLA unit's cultural life and shapes the officers' and men's sentiments.

Over the past few years, through correspondence and mutual visits, this PLA mosquito boat unit has facilitated the flow of ideology and improved friendship between it and other units that make concerted efforts with it to build spiritual and material civilization. The PLA unit party committee has regularly organized

officers and men to visit Sino-foreign joint ventures, Sino-foreign contractual joint ventures, and wholly foreign-owned enterprises in Hainan Special Economic Zone and asked comrades of the locality to give reports so as to further understanding of the achievements in reform and opening up and learning from the special economic zone people's spirit of "opening up a new road, competition, and blazing new trails."

Economic & Agricultural

Protection of Trademark Rights Strengthened

OW0707011291 Beijing XINHUA in English
0103 GMT 7 Jul 91

[Text] Beijing, July 7 (XINHUA)—China has strengthened its protection of trademark rights in recent years, the latest issue of the Beijing-based English magazine "BEIJING REVIEW" reported.

Li Jizhong, director of the Trademark Office of the State Administration for Industry and Commerce, said in the weekly that China recognizes the exclusive right to use trademarks and truly protects such rights.

Since the trademark law of China was implemented eight years ago, China has strengthened its ties and expanded its cooperation with related organizations worldwide.

Since the 1980's, China's efforts to protect trademarks have been greatly enhanced and the number of trademark applications has grown annually. In 1990 alone, some 57,272 trademark registrations were applied, including 6,419 foreign trademark applications.

China handles a large number of cases annually which involve the infringement of rights and the use of imitation trademarks so as to protect the exclusive right to trademarks and the interests of the consumers.

In 1990 the departments for Industry and Commerce handled about 10,000 such cases, including a dozen or so cases filed by foreign companies.

Laws on Intellectual Property Rights Expedited

HK0607075591 Hong Kong ZHONGGUO TONGXUN SHE in English 0524 GMt 6 Jul 91

[“China Speeds Up Legislation To Protect Intellectual Property Rights”—ZHONGGUO TONGXUN SHE headline]

[Text] Beijing, July 6 (HKCNA)—The United States last April blacklisted China, India and Thailand in accordance with Special Article No. 301 of the 1988 Comprehensive Trade and Competition Bill, accusing the three countries of violating intellectual property rights.

In order to have the American government remove China from the blacklist as soon as possible, the Chinese government has done a lot of work regarding protection of intellectual property rights since last April when China and the United States held negotiations. The work

centred on at least five aspects of the problem, said the Vice Minister of Foreign Economic Relations and Trade, Mr. Tong Zhiguang.

First, "Regulations on the Implementation of the Copyright Law" was promulgated on June 1 and "Regulations on the Protection of Computer Software" on June 4.

Second, the authorities had widely sought the opinions of domestic and foreign experts including those from the U.S. in the course of formulating these regulations.

Third, with formal connections, China and the World Intellectual Property Organization and the United Nations Educational, Scientific and Cultural Organization (UNESCO) agreed that China would send a delegation to Geneva this September to negotiate China's participation in two international copyright conventions.

Fourth, China has revised its Patents Law in accordance with its national conditions and the spirit of the international patent cooperation treaty which is being formulated. This will enable China to move gradually closer to international standards.

Fifth, the sound implementation of China's Trademark Law has solved the problem of property rights violation involving American trademarks. For example, the American-based Mars Company which produces "M & M" chocolates had its problem of property right violation solved within one month. The products which were in violation of property rights were seized, sealed up and destroyed and the offending party found guilty of committing a breach of property rights were fined. American companies were satisfied with the rapid settlement of trademark disputes by simple procedures by the Chinese government.

It is understood that China is now looking at revising the Trademark Law in order to further enlarge its scope of affording protection. Since China is keen to safeguard intellectual property rights and has done much work in the short period of two months, the Chinese government has again called on the U.S. government to remove China from the blacklist as soon as possible subject to Special Article 301 in a bid to improve development of Sino-American trade relations and cooperation in the matter of intellectual property rights between the two countries.

The U.S. Assistant Trade Representative, Mr. Joseph Mese, who recently took part in Sino-American talks, pointed out that after two rounds of talks, he felt China had changed its attitude on the protection of intellectual property rights from one of indifference to one of serious concern for its own immediate interests. He added, however, that the U.S. believed that the copyright law regulations promulgated on June 1 and the computer software protection regulations promulgated on June 4 were still not satisfactory and fell short of the international convention standards.

Despite the fact that an important step has been taken by China in the matter of protection of intellectual property rights, China still lags behind the Western advanced

countries mainly because of economic, cultural and legal deficiencies and there existed quite a number of problems to be solved and relevant laws yet to be legislated and improved.

Reports on Threat of Inflation, Countermeasures

State Council Takes Steps

*HK3006033291 Beijing CHINA DAILY
(BUSINESS WEEKLY) in English 30 Jun 91 p 1*

[By staff reporter Zhu Ling]

[Text] As this year's first half ends, warning signals have gone out that inflation may again be on the rise in China.

The country's economic planners, aware of the possible risk of a new round of inflation, are moving to dampen the new trend.

One of the measures, evident in the government's efforts to restrain rising prices, was an "emergency notice" released last week.

The government issued the order on Monday to limit purchases of luxury items ranging from cars to air conditioners with public funds.

Such a move came a week after the government announced worrisome inflation figures for May, which hit 4.5 percent nationwide.

The consumer prices in major cities jumped by 8.9 percent over a year earlier, and this has sparked fears that inflation could further escalate later in the year.

Economists said it was not sensational to say that "the threat of inflation is clouding the horizon."

They pointed to some potential triggers of another bout of inflation: cutting deposit and loan interest rates by one percentage point in April; a sharp rise on May 1 in key staple prices frozen since the 1960's; the heating-up of industrial output in the first half; continued low economic efficiency; and lack of effective control over the scale of capital investment.

The pundits are urging a more cautious approach and careful planning by economic planners to protect the fragile economic recovery and avoid inflation, especially in the latter half of this year when the government plans to go ahead with housing reform experiments.

Analysts believe that the emergency notice of the State Council, reminiscent of what happened nearly three years ago, would more a prelude to more specific and careful moves by the government to fight any possibility that could lead a return to the high inflation that triggered the nationwide austerity programme in September 1988.

The programme, which included tightening restrictions over institutional spending, particularly purchases of

luxury goods, has helped bring down the runaway inflation of nearly 30 percent level touched at the peak of price rises in early 1989, experts say. Inflation in 1990 was 2.1 percent.

Experts referred to the rampant growth of institutional spending as leading to market disorder, shortages of merchandise, price hikes.

In 1988 alone, the actual institutional spendings were well above 100 billion yuan (\$18.6 billion), half of the government's 200 billion yuan (\$37 billion) of revenue income. Such public money spending was like a "black hole" that sucks in almost every benefit this country receives from public ownership.

The government organizations have reportedly been overspending this year and their first quarter expenditure increased by nearly 30 percent on last year.

The State Council's notice pointed out that the desire for conspicuous consumption has re-emerged, and this would no doubt aggravate the discrepancy between supply and demand in a developing economy and put pressure on the nation's already-difficult budgetary situation.

The notice stipulates that all purchases of such expensive items as cars, buses, motorcycles, videocassette recorders, air conditioners, colour televisions and any product that costs more than 10,000 yuan (\$1,900) must be approved at the provincial level.

Administrative departments will not be allowed to buy new equipment and stricter controls will be placed on the money-losing enterprises whose "economic efficiency has dropped."

As the economy has taken a turn for the better and is heading for a boom, the excessive spending with public funds must be strictly curbed, economists say.

One financial analyst from the People's Bank of China, the country's central bank, said that this was especially important today as the two bank cuts in deposit rates last year triggered a visible revival of individual consumer spending.

Retail sales in the first quarter of this year jumped by 12.9 percent against the same period in 1990. He warned of another bout of inflationary social demand in the latter half of this year.

Inflation Prospects Analyzed

OW0407184291 Beijing XINHUA in English
1324 GMT 4 Jul 91

[“News Analysis: Will Inflation Rise Again in China This Year?”—XINHUA headline]

[Text] Beijing, July 4 (XINHUA correspondent Chen Xin)—As production, investment and sales kept picking up during the past six months, a major concern of economic policy-makers in China has been to assess whether inflation would again rise in China this year.

Since the state poured more than 300 billion yuan in loans into economic sectors last year, a sharp increase in note issuance this year seems inevitable.

According to the People's Bank of China, the country's central bank, by mid-June, the volume of note withdrawal from circulation was 10 billion yuan less than the same period last year, which means that the volume of note issuance this year would be at least 10 billion yuan more than last year.

The situation is apparently different from that in the previous three years. An austerity program aimed at cooling down the overheated economy succeeded in bringing inflation rates from 18.5 percent in 1988 down to 2.1 percent in 1990 and, in the meantime, reducing the volume of note issuance from 69 billion yuan to 30 billion yuan.

Chinese economists say that whether the excessive loans last year would lead to a new cycle of inflation this year depends on several current economic and social factors.

Sources from the State Statistical Bureau said that in the first five months this year, total industrial output increased by 13.3 percent as compared with the same period last year.

Taking the zero growth situation experienced during the same period last year into account, Lai Guangxian, an official with the state information center, said that this year's growth rate among industries is adequate for an overall development of the economy.

Jin Weihong, an official with the central bank, pointed out that theoretically overheated capital construction is a major cause of inflation. He believes that if the state plan of capital construction this year is carried out strictly, overheated capital construction can be avoided.

The state has plans to invest a total of 500 billion yuan in capital construction this year, 12 percent more than last year. The scale was determined in line with the state's policy of moderate development.

However, Xie Hangsheng, a researcher with the central bank, warned that in recent months the actual investment in fixed assets has been higher than expected.

The growth rate reached 18.6 percent in the first five months this year, Xie said, adding that if the growth continues the state plan will be surpassed.

Xie noted that such a trend should be scaled down by the state, otherwise it would induce inflation.

Another premise for inflation is excessive consumption. The most important factor is consumers' expectation of price changes, according to Zhang Zhuoyuan, an economist from the Chinese Academy of Social Sciences.

An earlier report issued by the Ministry of Commerce predicted that this year the market of consumers' goods would return to normal with a moderate growth rate of 10 percent.

The low inflation rate in 1990 has kept consumers tranquil and the price reform has been implemented step by step to avoid panic buying, Zhang said. In his view, supply will exceed demand on the domestic market this year.

Statistics from the central bank also prove Zhang's point. The volume of individual saving deposits exceeded 100 billion yuan from January to May this year, about 25 percent higher than the same period last year.

However, the 300 billion yuan issued as loans last year is still a danger. Economists regard it as latent inflation pressure.

Xie said that there are three ways for the pressure to be released, namely price rises, increased stockpiles and the retardation of currency circulation.

In fact, the present situation in China is that stockpiles worth hundreds of billions of yuan and heavy retardation of capital circulation have become the cost of low inflation. Poor economic efficiency is also related to these two factors.

Economists believe that in outlining economic policies, the state should take growth rate, efficiency and stability into consideration. They suggest that the state take measures to tackle the present problems, even if it means taking a few risks.

According to the economists, who are cautiously optimistic about the present banking situation, if the state capital construction plan is implemented in a smooth manner by the year end, the inflation rate this year will be controlled at a normal level of six to eight percent.

Banker Comments

OW0707013991 Beijing XINHUA in English
0052 GMT 7 Jul 91

[Text] Beijing, July 7 (XINHUA)—The financial situation in China is generally positive but there is still the danger of inflation, according to Wang Qiren, assistant president of the People's Bank of China, the country's central bank.

Since 1988, Wang said, China's financial situation has been in a state of flux. As a result of economic overheating and the over-supply of money, inflation occurred that year and drove the retail price index up 18.5 percent. In the fourth quarter of the year, the central government began to improve the economic environment and rectify the economic order by introducing a policy of financial and credit retrenchment, and the efforts were very successful, according to BEIJING REVIEW [BEIJING RIBAO].

Although the inflation was halted, new problems arose. For example, industrial production was plagued with negative growth and the market became sluggish, he said.

Last year, the bank slightly relaxed its control over the supply of money to as to promote an economic rebound. The result was that industrial production was up and the market thrived.

This year is crucial for China's financial situation because the approved ten-year program and the Eighth Five-Year Plan both require strengthened fiscal macro-regulatory functions, credit and foreign exchange receipts and spending; money-supply has to be stabilized to prevent the occurrence of a new round of inflation.

Wang said that in 1991, China's money supply should neither be too loose nor too tight. The general policy is "to control the overall supply of money, readjust the structure in a timely fashion, strengthen management and raise efficiency."

He stated that this year, banks will grant loans primarily to key state projects in the fields of energy, communications, telecommunications and raw materials, to large and medium-sized backbone enterprises.

Bo Yibo Voices Support for Market Forces

HK0107020991 Hong Kong SOUTH CHINA MORNING POST in English 1 Jul 91 p 9

[By Chris Yeung]

[Text] A conservative Communist Party elder, Mr Bo Yibo, has spoken highly of market forces in developing the productivity of the country's socialist economy.

The vice-chairman of the party's Central Advisory Commission said in a recent conference on industry that industrial products, with the exception of "a few", should be subject to the market.

The lifting of central control on the circulation of commodities, he said, required a close watch on the supply and demand.

Mr Bo said the setting up of realistic price levels was also necessary, according to the latest issue of ECONOMIC REPORTER [CHING CHI TAO PAO].

"The price level should not be kept unchanged. Prices cannot be determined by individual will, but the regulation of value," he said.

Mr Bo also told the conference that corresponding reforms should be adopted in the wage system to cope with the changes in commodity prices.

Mr Bo said reforms should also be made to allow greater autonomy to banks so they could operate independently.

"These measures appeared to be capitalistic, but as a matter of fact [were] not. It's the necessary step to develop productivity at the present stage," he said.

And in an article published in the ECONOMIC REFERENCE NEWS [JINGJI CANKAO BAO], a senior Chinese economist has warned against being too optimistic about the slowly rebounding domestic market.

He argued that outdated production kept alive by heavy funding from central government could not fundamentally solve the problem of sluggish sales.

Journal Examines Economic Reform Problems

HK0107084591 Beijing JINGJI YANJIU in Chinese
No 4, 20 Apr 91 pp 52-56

[Article by Jiang Xue-mo (5592 1331 2875) of Fudan University, edited by Lu Wen (7120 2429); "The Direction Policy, and Problems of China's Economic Reform"]

[Text] In 1990, I visited the United States for six months and in the course of giving lectures and taking part in scholarly discussion meetings came into extensive contact with Chinese students, overseas Chinese, Chinese-Americans, and American professors and scholars in the United States. In these contacts, a problem most fervently discussed was that of reform of the Chinese economic system.

I. Reform of China's Economic System Cannot Take the Road of privatization and marketization

The violent changes which took place in the East European countries in the second half of 1989 and the first half of 1990 caused many political activists, professors, and scholars in the United States to make the erroneous conclusion that socialism had already failed on a worldwide scale. In their opinion, East Europe had changed and, similarly, reform of China's economic system must likewise change as in East Europe, that is, changing from the public to the private ownership system, from a planned to market economy, and from socialism to capitalism. The viewpoint of America's noted economist and authority on monetary theories, Milton Friedman, can be mentioned as representing these views. In June 1960, he made a report on the topic "Problems and Prospects for China's Economy." In the report he offered three sentences on the crux of China's economic reform: "you need a market economy, you need a market economy of the private ownership system, and you need a free market economy of the private ownership system." Regarding China's economic future, he put in three words: "privatization, privatization, and again, privatization."

Friedman's three sentences and three words produced a great effect on Chinese students studying in the United States. Regarding this, at a scholastic discussion meeting in the United States, I specially pointed out in contrast that reform of China's economic structure must and can only proceed in accordance with the four cardinal principles and cannot take the road of marketisation and privatization.

Why cannot and will not China take the road of privatization and marketization, that is, the road of capitalism? First of all, I would ask if China wished to go the

road of privatization and marketization, how should it go about it? In the European developed capitalist countries it took several hundred years to develop from a guild handicraft industry of feudal society to individual economy, then into a small hireling economy, and later, through the stages of capital accumulation and capital centralization, from free capitalism to a monopolistic capitalism, and only finally to the current type of market economy under the private ownership system. In the United States, counting from 1776, the year of independence, it has also taken more than 200 years. In China, if we also want to evolve from individual economy to private capitalist economy, we have to pass through the stages of capital accumulation and centralization, eliminate such enormous state enterprises as Shanghai's Baoshan Steel Plant and the Jinshan Petro-chemical Industrial Corporation with their billions, and hundreds of billions, of fixed assets to change from the public ownership system to the private ownership system. We fear that it will take several hundred years. The Chinese people will never permit such a prolonged, painful, and polarized road of privatization.

The capitalist road is inevitably the road of a small number of people getting rich and the majority of people suffering from poverty and difficulty. If people who have already gone on the socialist road should erroneously enter the road of privatization and marketization, then the great majority of the workers would immediately fall into the dilemma of increased unemployment, sharp rise in commodity prices, supply shortages, and a drastic fall in the standard of living. Certain young students in China have the innocent idea that if China today can announce taking the road of free market economy then tomorrow the people's standard of living will become as well-to-do as the Americans. But this is only fantasy thinking and cannot be reality. From the past half year's changes in Eastern Europe it can be seen that the reality will be that if China today announced taking the road of privatization and marketization, that is the capitalist road, when we wake up next morning the actual conditions will be even worse, inflation will become more serious, commodity prices will rise faster, supplies will become even shorter, and, in particular, over one single night's time, a large number of people will find themselves out of employment.

By so saying I am not scaring people. Insofar as per capita resources are concerned, China's population is much too large and its growth rate is much too fast. This has made providing the people with full or adequate employment a truly difficult task. Under the conditions of the incompatibility between available capital and natural resources and for the sake of providing as much labor employment as possible, in both urban and rural areas the situation has become one whereby three people's work is divided among five people and three people's rice is partaken by five people. Seen from the angle of raising the labor productivity and economic efficiency rates, this practice of concealing unemployment should not be recommended and should be gradually solved and removed. However, from the viewpoint

of providing the worker with an employment opportunity and maintaining social security, too much blame cannot be laid on it. Indeed, the problem should be gradually solved by controlling population growth and, on the other hand, opening up new industries to absorb the concealed unemployed labor force. But in the event of enforcement of privatization, owners of private enterprises will never allow such a state of affairs and will never be willing to bear the burden of surplus employees even for the sake of social security. In order to seek maximum profits, owners of private concerns will only be concerned with having two persons doing the work of three persons and of three persons eating the rice portions of two. Only by so doing can they maximize the rate of marginal value and realize maximum profits. Therefore, if China takes the privatization road, of the 130 million odd staff members and workers in urban enterprises owned by the whole people and urban cooperatives, at least 30 million people will be chased out of the doors of the factories and become unemployed. At the same time, if land privatization is enforced in the rural areas, necessary separation of two classes will occur and there will be much land merging. In less than 10 years, of the 800 million agricultural population in China at least 200 million will lose their ownership of land, meaning a loss of protection of their basic living conditions. It will be impossible for these 200 million people to find jobs in the township and town enterprises and in industry and commerce in the urban areas because the urban areas themselves have the problem of the existence of a large contingent of unemployed. Thus, there will be the problem of 230 million people looking for employment, comprising 200 million of the agricultural population who have lost their land ownership and the 30 million unemployed from the urban areas. All of them will have to be fed and this will form an extremely large factor of confusion and disorder. Bearing such a heavy burden, no economic construction project can be carried out smoothly.

In short, privatization and marketization are equivalent to the road of capitalization. It is a road leading to a minority of people getting rich and the majority of people being in financial distress. The Chinese populace will never want to take this road.

II. Reform of China's Economic System Must Pay Dual Attention to Economic Effects and Social Justice

How will it be possible to ensure that from now on China will not make a large error and take a highly circuitous road? The key lies in China's socialist construction and reform of the economic system having a correct guideline. Since the Third Plenary Session of the 11th CPC Central Committee the Party's basic line of "one center and two basic points" precisely provides the guarantee of China's successes in developing socialist construction and carrying out reform of the economic structure.

Is there any basis for such an assertion? Certainly!

Since time immemorial, so far as the populace are concerned, economic effects and social justice are the fundamentals to which their basic interests are related. Without the continuous rise in economic effects, the continuous improvement in people's material and cultural living lacks a material basis. Although the working people may through such revolutionary ventures as "attacking the local tyrants and dividing land" temporarily improve their living standards, yet without production's continuous development and economic effects rising ceaselessly, or, using popular language, without "making the cake increasingly larger," then the workers' living standards cannot achieve sustained improvement. On the other hand, in the absence of social justice, and without eliminating the man-to-man exploitation system, even though the cake is made increasingly larger, and if the greater portion is eaten by the exploiting class, the workers' living standards still cannot be improved. Only through economic effects being continuously raised and the existence of social justice can there be the guarantee of people becoming wealthy and the country strong. Whoever can provide a line which can ensure a continuous rise in economic effects and also ensure the maximum possibility of social justice will surely receive the working people's hearty support.

The socialist road pointed out to the working people by Marxism is precisely this road of giving attention to both economic effects and social justice. Marxism demands elimination of all man-to-man exploitation and, particularly, elimination of the last exploitation system in human history, that is, the capitalist system. This provides a guarantee in the economic system for the realization of the maximum degree of social justice. At the same time, Marxism demands elevation of the proletariat to the ruling class, "to exploit the exploiter," and that, after converting the means of production privately owned by the capitalists into public ownership, the gross volume of the productive forces should be increased as soon as possible." (Footnote 1) (Marx and Engels: *Communist Manifesto, Selected Works of Marx and Engels*, Vol 1, p 272) The CPC, under the guidance of Marxism, for a considerable length of time has attached importance to paying concurrent attention to both these considerations. During the period of the internal revolutionary war and the period of the Anti-Japanese War, the party not only subdued the local tyrants, enforced land division, reduced rents and interest, and, as far as possible, cut down feudalist exploitation of the peasants, but also paid close attention to the production and construction work in the revolutionary base areas and the anti-Japanese base areas. On many occasions it developed large-scale production campaigns and demanded the military units themselves open up barren land and help the peasants to promote production. It was precisely because our party attached great importance to social justice granted by the democratic revolution and, on the other hand, was deeply concerned with the development of the economy, that it was possible to unite the vast masses of people to achieve great victories

in the anti-imperialist and antifeudalist democratic revolution, overthrow the three large mountains, and establish the PRC. On the eve of the founding of the Republic, at the time of the conversion of the revolution of new democraticism into the socialist revolution, at the Second Plenary Session of the Seventh CPC Central Committee, Comrade Mao Zedong warned the whole party that, after entry into the urban areas, they must attach importance to the recovery and development of production in the cities and pointed out: "Only through recovering and developing production in the cities and converting consumption-oriented cities into productive cities can the people's political power be consolidated. Other lines of work in the cities such as the party's organization work, work of organs of political power, labor unions' work, work of other kinds of civilian bodies, cultural and educational work, anticounter revolutionary work, and work of unions of news transmissions, newspapers, and broadcasting should all be centered around this central work of production construction and serve it" (Footnote 2) (Mao Zedong: "Report to Seventh Plenary Session of Second CPC Central Committee," *Selected Works of Mao Zedong*, Vol 4, People's Publishing House, 1967 edition, p 1966). Just because we confiscated bureaucratic capital, abolished all special rights of imperialism in China, carried out land reform, finished mopping up the democratic revolution, and gradually developed the socialist transformation of agriculture, the handicraft trades, and capitalist industry and commerce and also, on the other hand, within the short period of three years completed the recovery of the national economy and in the first five-year plan developed a large-scale and planned economic construction, we were able, eight years after the founding of the Republic, to see production prospering every day, the people's living stabilized and improved, the socialist enterprises winning the people's hearty support, and the party's prestige rising sky high. Thus, the party's correct line of concurrently attending to economic effects and social justice has fully demonstrated its supreme power.

However, after the failure of the "great leap forward" of subjectivism, Comrade Mao Zedong failed to correctly sum up the experiences and lessons. On the contrary, he adopted the erroneous line of taking class struggle as the leading factor. In the 10 years' period of the "Cultural Revolution" this erroneous line developed to its highest peak. During the "Cultural Revolution," attaching importance to production development was foolishly adjudged to be a criminal venture and was branded as "using production to depress revolution" and belonging to the crime of being "solely for promotion of the productive forces." During the "Cultural Revolution," the principle of socialist justice was trampled upon. Egalitarianism was on the rampage and distribution according to work and the eight-grade wage system actually became "little different from the old society." This erroneous line, which overlooked economic effects and violated the principle of socialist justice, confused right and wrong, turned correctness and error upside

down, disrupted the people's confidence, and caused serious damage to the national economy. During this period, certain developed capitalist countries and developing countries on the other hand, developed their economies in a stable manner and "rendered their cake-baking on an increasingly large scale." As a result, upon crushing the "gang of four and the termination of the country's closure period, when the doors of the nation were opened to the outside world, the Chinese people were surprised to find that under the capitalist system the standard of living of the hireling workers under exploitation was on a much higher scale than the Chinese people who were masters of the house and of production. This generated the so-called confidence crisis in the party, confidence crisis in the socialist system, and the confidence crisis in Marxism.

The basic line from the Third Plenary Session of the 11th CPC Central Committee of removing chaos and restoring order and of having "one center and two basic points" has rectified the "leftist" errors of the past 10 years and put into effect the correct line of paying concurrent attention to economic effects and social justice.

One center, meaning taking economic construction as the center, has rectified the error of taking "class struggle as the principal link," and restored the good tradition of paying close attention to production and economic effects. The two basic points, referring to firmly insisting on the four cardinal principles and on reform and opening to the outside world, has ensured correct and thorough implementation of the principle of socialist justice. They have also ensured the extensive absorption of foreign capital, scientific technology and management knowhow beneficial to China's socialist construction, and, under the conditions of continuously perfecting China's socialist economic and political structures, gradually improved the economic effects. This basic line of concurrently paying attention to economic effects and social justice, not only complied with the objective economic law requiring production relations to suit the productive forces but also, from various sides, conformed with the basic interests of the Chinese people. Hence, it will surely receive the support of the vast masses of cadres and people and become the fundamental guideline leading China's construction and reform to progress triumphantly.

Naturally, views which disagree with the above viewpoints do exist and, particularly in the capitalist countries, contrary views are rather prevalent.

Brzezinski, serving at one time as President Reagan's National Security Adviser, in his book *The Great Failure*, expressed the opinion that in economic structure reform in socialist countries, to demand the introduction of market mechanism in the planned economic structure was destined to failure. This was because, according to his views, market economy could only be integrated with the private ownership system and the West's democratic system and could not be combined with an economy of the public ownership system. Against China's guideline in the reform of the

economic structure requiring enforcement of an economy under the public ownership system as the principal body and individual economy, private economy, and enterprises of the three capital sources as supplementary bodies, many people in the United States expressed their doubts and opposition. After hearing my report on reform of China's economic structure, a research student at Lybold University in Ohio expressed his doubts. He compared private economy to a rat which eats little but has great vitality, looks for opportunities everywhere, and is thus suited to market demands whereas the public-run economy would be like an elephant, eating heavily, acting slowly, and having difficult competing with private economy.

Brzezinski's error was that the commodity economy with which he was acquainted was a commodity economy on the basis of the private ownership system and he was not aware of a socialist commodity economy being a commodity economy on the basis of the public ownership system. In the socialized large-scale production of an economy under the public ownership system, the operations must be subjected to the planned development laws of the national economy and to regulation by planned mechanism. As a commodity economy, its operations must be governed by the law of value and regulated by means of market mechanism. The integration of planned mechanism and market mechanism and the integration of planned regulation and market regulation are not only entirely possible but are also precisely the objective demand of socialist commodity economy.

As for the question raised by the research student, my reply was: Just because private economy had great vitality and could look for chances, at the present stage of China's socialist society it is necessary to permit the existence and development of private economy and allow it to fully display the supplementary role of searching for opportunities. However, regarding certain large projects which play a backbone role in China's economic construction, such as building nuclear power stations, prospecting for undersea oil, opening up large mines, and building large steel and petrochemical plants, require huge investments, take a long time in construction and must rely for support on the economy under whole people's ownership. Certainly, in the United States, such large enterprises are also owned and run by private capital. However, in the United States the growth of monopolistic large enterprises from small stalls has taken over 200 years of capital accumulation and centralization. Can China wait for such a long time for private economy through snowballing to become slowly inflated before undertaking construction of those large projects? Obviously not. As for the economic effects of state enterprises, such as large projects like the Capital Steel Plant and others, which for a score of years have maintained a profit and tax growth rate of around 20 percent, they illustrate that big elephants likewise can produce high benefits. Of course, speaking as a whole, the economic effects of state enterprises have not been at all ideal, this is the problem which must be solved by reform of the economic system.

III. Take Correct Attitude Toward Difficulties and Problems Facing Reform of the Economic Structure

It can be seen from the above analysis that since the Third Plenary Session of the 11th CPC Central Committee, the general direction of the reform of China's economic structure has been a correct one and has reaped big results. However, this does not mean to say that here in China everything has been going fine and that there are no problems at all. Naturally, this is not the case. Although the basic guideline for the reform of China's economic structure has been a correct one, a correct guideline must be correctly understood and correctly implemented. Otherwise, if a correct guideline is not correctly implemented then the results will go against the wishes. At the same time, because the policy errors of overlooking agriculture, disregarding ideological and political work, and neglecting the serious and dangerous nature of currency inflation existed for several years before the 4 June trouble, and due to the failure to sternly deal with the law-breaking acts of seeking private gain through the use of power, sales and resales of goods for profit by corrupt officials, and improper and irregular conduct of the industries and trades, considerably serious economic difficulties have appeared. Hence, there is no basis for blind optimism concerning China's economic situation. Socialist reform was never done by people before our generation and it is entirely normal that there have been different understandings on the basic line and the basic guideline on reform and opening to the outside world and different views on the concrete form and measures of the reform. Thus, along the road of reform and opening to the outside world, there are still many problems which must be overcome and which must be settled.

The first problem is an estimation of the current difficult situation and assessment of the various measures to overcome the difficulties. The guideline formed by the Third Plenary Session of the 13th CPC Central Committee on improving the economic environment, rectifying the economic order, and deepening the reform was a correct one. Good effects have been achieved in its implementation. The currency inflation which had arrived with great turbulence has been checked. Market weakness and the economy sliding downhill caused by the tightening and retrenchment policy, have begun to turn for the better. Judged from these phenomena, the most difficult period in China's economy seems to have passed. Nevertheless, the deep-going problems do not hold out much optimism. Speaking from the macroeconomic stratum, although the loss of balance in the gross volumes, particularly the imbalance in the industrial structure, has been somewhat rectified, it has not basically turned around for the better. Speaking from the microeconomic stratum, the economic effects of the enterprises not only have not risen but also have continued to slide downward and the profit-making rate of profitable enterprises has fallen while the number of enterprises operating in the red has increased. As for the profit and tax rate on the capital funds of China's state enterprises, in 1978 it was 24 percent, in 1984, it rose to 25.1 percent, but in 1988 it dropped to 22.0 percent. The method of increasing credits and loans has

been used to stimulate economic recovery and in light of statistics on increase in production value, certain effects have been achieved yet. Due to there being no substantial change in the industrial structure and product structure, it is estimated that, of the increased portion of loans, from 60 to 70 percent have been turned into new stockpiling. Thus, in the course of checking currency inflation, factors leading to another round of currency inflation have been accumulated and behind the phenomenon of the recovery in the industrial gross output value, stagnation factors against production increase are steadily taking shape. If these deep-lying problems are not solved, there cannot be a sustained improvement in the economic situation.

At present, nearly everybody understands that the poor industrial structure and low economic effects are the two fundamental problems in China's economic development. To solve these two problems, backstepping to the old pattern of a high degree of power centralization is not workable and continuing the deepening of reform is the only way out. But, in deepening the reform, two highly difficult problems must be solved. The first problem is how, in macroeconomic control and based on the principle of integration of planned regulation mechanism with regulation by market mechanism, to readjust the industrial structure and basically solve the problem of the integration of gross supply and demand. The second problem is how, in microeconomic control and deepening reform of the enterprises' operation mechanism, based on the principle of integration of responsibility, right, and interest and integration of the state's interests, enterprises' interests and individual interests, to factually improve the enterprises' economic effects. There are definite difficulties in solving these two problems. This is because, despite summing up 40 years' experiences since the founding of the Republic, particularly the 10 years' experiences since reform, the Party Central Committee has already pointed out the basic principle for solution of these two problems, yet after all this is something the people before us never had to do. Thus, there is no unanimity of understanding among people in respect of the Party Central Committee's plan and policy, such as the principles governing integration of plan and market and integration of the interests of the state, the enterprise, and the individual. It is all the more difficult to set up a workable and concrete system and concrete mechanism to manifest these principles. In this connection, be it the gradual attainment of unanimity in understanding or the definite fixing up of a concrete system or measure, there is always the problem of examination by actual practice. There is also a continuous exploratory procedure. It is not possible to attain the ultimate results at one stroke.

In short, the direction of China's economic structure is correct. The party's basic guideline on reform of the economic structure since the Third Plenary Session of the 11th CPC Central Committee is also correct. However, in the forward progress of reform and opening to the outside world there are many difficulties that must be overcome and many problems that must be solved. The

drastic changes in East Europe and the questions about reform of China's economic reform which I met with during my visit to the United States have given me the deep understanding that reform of China's economic structure is not only connected with the destiny of China's population of 1.1 billion but is also related to the rise or fall of the international communist movement. Under the party's leadership, we must definitely overcome all difficulties on the road ahead and triumphantly push forward the great enterprises of reform and opening to the outside world.

Economist Warns Against Optimism Over Market

OW3006063091 Beijing XINHUA in English
0547 GMT 30 Jun 91

[Text] Beijing, June 30 (XINHUA)—A senior Chinese economist has warned against being too optimistic over the slowly rebounding domestic market, arguing that outdated production kept alive by heavy investment cannot touch the roots of sluggish sales, according to an article published in the "ECONOMIC REFERENCE NEWS" [JINGJI CANKAO BAO].

"A new, rational industrial structure must be installed through market competition to achieve long-term economic development," said Zhu Mingchun, a senior researcher with the State Council's think tank, the Development Research Center.

Measures must be taken to get rid of industrial stockpiles at low prices while allowing enterprises manufacturing unwanted items to go bankrupt, Zhu said.

"This situation cannot linger on any longer," he said.

Zhu urged enterprises to rely on the insurance system, instead of the state financial bodies alone, to guarantee the social welfare of their employees and to create conditions for market reform.

Because the current marketing mechanism in China is immature, he said, the reforms must be carried out with government interference coordinated with market functions.

"The two forces must join hands to reallocate the supply of resources to encourage business to produce up-to-date items," Zhu said, adding that without such reforms the present growth of market demand will not continue long.

According to government statistics, social retail sales during the first four months of this year increased 13.9 percent over the corresponding 1990 period to 300 billion yuan (56.6 billion U.S. dollars). And further sales growth was forecast.

A survey on the sales of 630 major commodities by the Ministry of Commerce however indicated that only 17.3 percent of the items fell short of demand, 20 percent fewer than during the same time of 1990.

The survey also showed that 60.3 percent of the commodities find their supply and demand balanced, while those surpassing demand accounted for 22.4 percent.

On the production materials market during the first quarter of this year, devand was 2 percent bigger than supply for the first time in two years. Stockpiles of major production materials during the period went down by 2.5 percent.

Yet Zhu pointed out that, while stockpiles in the warehouses of consumers were getting thinner, those overburdening the manufacturers were still building up. Generally speaking, he said, output was still ahead of consumption. By the end of April 130 billion yuan (24.5 billion U.S. dollars) worth of products were being stored by industrial enterprises in the state budget plan.

This is because the current industrial growth was achieved through heavy investment to keep the enterprises going.

Market demand cannot be promoted by more production, Zhu said. On the contrary, production growth must be based on market demand, he added.

NPC Standing Committee's 20th Session on Economy

Li Lanqing Report

OW2806110891 Beijing XINHUA Domestic Service
in Chinese 1010 GMT 26 Jun 91

[Text] Beijing, 26 Jun (XINHUA)—Today, at the 20th Session of the Seventh National People's Congress Standing Committee, Minister of Foreign Economic Relations and Trade [MOFERT], Li Lanqing, made a report on the work of economic relations and trade.

Li Lanqing said: Since the Third Plenary Session of the 11th CPC Central Committee [CPC CC] formulated the basic state policy of reform and opening to the outside world, China has made a great step forward in the cause of opening to the outside world. With a rapid expansion of exchanges and cooperation in the fields of economic relations, trade, and technology, China has achieved initial success in forming multi-channel, multi-level, and multi-form exchanges and cooperation with foreign countries in the aspects of commodities, technology, funds, and labor services. Despite the many difficulties encountered in the first five months of this year, our economic relations and trade with foreign countries still maintain a momentum of development. Judging from the present situation, there are many opportunities for the development of our economic relations and trade with other countries. However, the international environment is fairly grim. Our domestic environment, though not very favorable, is comparatively better off. It is a very arduous job to maintain the stable development of our economic relations and trade with foreign countries.

Li Lanqing focused his report on the following problems:

(1) We have successfully accomplished the task of improving the economic environment and rectifying the

economic order. We have continued to screen and rectify all sorts of trading companies. In the past two years, MOFERT has examined and carried out the plans for screening, rectifying, cancelling, merging, and retaining foreign trade companies belonging to 36 provinces, autonomous regions, municipalities, and cities with provincial-level decisionmaking authority. Among 2,140 foreign trade companies (including all sorts of foreign trade companies and production enterprises with an authority to handle import and export business) in these places, 1,208 of them have been approved to continue to handle foreign trade, while 932 of them, or 42.5 percent, have been denied the power to handle foreign trade. Except for foreign trade enterprises (more than 1,000 enterprises) in special economic zones, which are responsible for screening and rectifying them in accordance with regulations promulgated by the State Council, there are five provinces left in which such plans are to be examined and carried out. MOFERT is coordinating with these localities to expedite this work. The jurisdiction for screening and rectifying foreign trade companies under all departments of the CPCCC and the State Council falls into the scope of the Leading Group for Screening and Rectifying Companies. At present, MOFERT and the Group have screened and rectified such companies under 49 departments. Among 826 foreign trade companies under these departments, 711 of them have been approved to continue to exist, while 115 of them (including 49 foreign trade companies which were canceled or merged with other companies by the order of MOFERT), or about 14 percent (not including industrial, commercial, and economic development companies as well as the Kanghua Company and its subsidiary companies which were canceled by the State Council), were either cancelled or merged.

Although initial success has been achieved in screening and rectifying these companies, some problems still exist, especially in the aspect of providing enough painstaking publicity and explanations to some localities, departments, and enterprises which had raised opinions and requirements. In addition, we also feel that some localities and departments still have a wait-and-see attitude or are jealous of other's higher incomes. Some localities and departments asked to keep too many foreign trade enterprises, or even demanded to establish new companies, thus affecting the progress of the work.

While screening and rectifying companies, we have strengthened control of foreign trade. First of all, we have checked the panic purchasing of export commodities. Secondly, we have further improved the control of export licenses.

(2) We have carried out the reform of the foreign trade system. Since the Third Plenary Session of the 11th CPCCC, China has conducted a series of experiments in the reform of foreign trade. In Particular, we have carried out the contracted responsibility system of foreign trade from 1988 to 1990. Therefore, we have further brought into play the enthusiasm of supporting for, and pushing forward the development of foreign trade

among governments and departments at all levels in localities; and stimulated all foreign trade enterprises and export-oriented production enterprises to expand their export business. All these measures have played an active role in improving the mechanism of foreign trade enterprises and invigorating them. Despite a marked increase in commodity prices, annual trade has increased by a great margin in the last three years. State's subsidies on foreign trade have been frozen. Improvements have been made in the balances of trade and foreign exchanges, with a marked increase in foreign exchange reserves. Conspicuous improvement has been made in import and export product mix. Generally speaking, our reform is successful. However, while transferring the power of handling foreign trade to lower levels, we failed, owing to various subjective and objective reasons, to establish a corresponding foreign trade mechanism in which all enterprises are responsible for their own profits and losses. Basically, foreign trade enterprises of all localities and categories still have unfair conditions for competition, such as export subsidies and different ratios for keeping the foreign exchange earned. Problems, such as panic purchasing with higher prices, competitive sale with lower prices, and profits going to outsiders, still remain unsolved. On top of that, too many foreign trade companies were wantonly set up in the spring of 1988, thus leading to a chaotic order in the trade business. To rectify this situation, the State Council has decided to further improve the foreign trade system beginning from 1991. It has started to establish a mechanism in which all enterprises are responsible for their own profits and losses. In this way, we can gradually help foreign trade enterprises embark on a path of having a unified policy, equal footing for competition, and decisionmaking power. They should also be held responsible for their own profits and losses, practice the integration of industry with trade, and carry out the agency system. At present, foreign trade enterprises across the country have begun to operate under the new system. All localities have shown universal support for the reform of the foreign trade system by adopting all possible measures to solve the problems cropping up during the practice of the system in which enterprises are responsible for their own profits and losses, and by carrying out various tasks of contracted responsibilities. With concerted efforts from all aspects, the reform of the foreign trade system is basically satisfactory. In both imports and exports, we have scored an increase over the same period of last year. Foreign exchange reserves have enjoyed fairly good growth. Conspicuous achievement has been made in avoiding panic purchasing of commodities. In addition, foreign trade order has been markedly improved. At present, the State Council is paying great attention to problems as reflected by all localities. Not long ago, it held a special meeting to hear a report made by our ministry and urged all relevant departments to find ways to solve the above-mentioned problems.

(3) We launched activities intensively to mark the "Year of Quality, Variety, and Efficiency." The work of economic relations and trade is an economic project as well as an

important aspect of the effort to open to the outside world. Problems pertaining to quality will not only cause huge economic losses to the state and enterprises and weaken our country's competitiveness in the international economy, but also harm the international image of the socialist motherland and create adverse effects politically. For many years, with the support of various relevant authorities, the vast numbers of cadres and workers of our country's economic and trade organizations worked hard to achieve considerable success in improving the quality of export and import commodities as well as the quality and economic results of aid and contracted projects in foreign countries. However, many problems still exist in maintaining the quality and economic results of import and export commodities, particularly export commodities, as well as aid and contracted projects in foreign countries. And we still have to meet the requirements of opening to the outside world and competing internationally. First, our sense of quality and credibility is not strong. Problems regarding the quality of export commodities are quite serious. Second, the ratio of honored export contracts is small. Third, the selling prices of export commodities are low. In recent years, "antidumping" complaints filed by foreign countries against our commodities have increased. Fourth, the turnover of funds is slow, the sums of various costs and expenditures are fairly large, and cost levels are quite high. Fifth, some equipment and materials used in overseas aid projects are of inferior quality and sell for high prices. Some contracting units lowered the standards of projects without authorization, thereby seriously affecting our work quality and credibility in foreign countries. Some problems pertaining to quality and efficiency also exist in projects using foreign funds and in contract and labor cooperation projects. For this reason, in accordance with the guidelines of the State Council's circular on launching activities to mark the "Year of Quality, Variety, and Efficiency," we call for the following steps: (A) To take practical measures to "win with quality" in exports and firmly establish the sense of "quality and credibility first" and "quality is the nucleus of efficiency;" (B) To further readjust and optimize the export product mix and increase the variety of salable commodities; (C) To actively support and develop various forms of industrial-commercial (commercial-industrial) complexes; (D) To strengthen operations and management and lower export costs; (E) To further improve the investment environment and raise the level of using foreign funds; and (F) To raise the quality and efficiency of foreign economic cooperative projects further.

More on Session

OW2906171291 Beijing XINHUA in English
1448 GMT 29 Jun 91

[Text] Beijing, June 29 (XINHUA)—The 20th session of the Standing Committee of the National People's Congress (NPC) continued its full session today. Such issues as finance, foreign trade, economic efficiency, and the economic development of the minority nationality areas were heatedly debated by China's legislators.

Standing Committee Member Zhang Ruiying expressed her views on enhancing the economic efficiency of large and medium-sized enterprises. "Low economic efficiency has been troubling China's economy for years," she said. Rectifying the economic order, improving the economic environment and deepening the reforms will enhance economic efficiency, she added.

"Strengthening management and relying on the workers' intelligence and creativity are also effective ways to achieve the desired end," Zhang continued.

Member Li Jianbei voiced his suggestions for solving the 1990 financial deficit. "Strengthening the macro control of finance to reduce expenditures, raising economic efficiency, and the cautious implementation of reform projects are basic ways to deal with the deficit," Li said.

Li also expressed ideas on improving China's foreign trade, which, he said, has made remarkable achievements under the guidance of the policies of reform and opening to the outside world in regard to promoting trade relations with other countries, and attracting foreign investment.

However, Li noted that the government still has a number of tasks to perform in order to facilitate the work. He stated that these tasks include utilizing the country's geographic conditions to develop multi-channelled foreign trade, improving the management of export-oriented enterprises so as to increase the quality of their products, and promoting the reform of the foreign trade system.

During the full sessions, some members also raised suggestions on the draft law for a state monopoly of tobacco, the draft amendment to the law on protection of relics, and the draft law on water and soil conservation.

Spokesman Denounces Taiwan's UN Proposal

OW0907115691 Beijing XINHUA Domestic Service
in Chinese 0659 GMT 9 Jul 91

[Text] Beijing, 9 Jul (XINHUA)—Taiwan's "Legislative Yuan" recently adopted a so-called "proposal of applying to join the United Nations in the name of the 'Republic of China' when it is appropriate"—a proposal put forward by some "newly elected legislators." In this connection, XINHUA interviewed an official of the State Council's Taiwan Affairs Office. Tang Shubei, spokesman for the office, issued the following statement:

On 18 June, Taiwan's "Legislative Yuan" adopted this "proposal of applying to join the United Nations when it is appropriate"—a proposal put forward by some "newly elected legislators" who are members of the Kuomintang [KMT]. The real intention in concocting such a motion [yi an 6231 2714] is to create "Two China," or "One China, One Taiwan." We are firmly against this, and we sternly condemn it.

Advocates of Taiwan independence have run wild on the island recently. What is noteworthy is the fact that some KMT "legislators" have actually been wallowing in the mire with those who advocate "Taiwan independence" and engaging in attempts to separate Taiwan from China. People must remain highly vigilant against their attempts.

There is but one China. The Government of the People's Republic of China is the only legitimate government of China, and Taiwan is a part of China. Now some people on Taiwan are wildly attempting to force their way into the United Nations and realize their objective of dividing the country and the nation. This is absolutely impossible.

We have taken note that the Taiwan authorities have time and again stated that they uphold the principle of "One China." According to newspapers in Taiwan, senior KMT officials also maintained that the motion "goes against the 'One China' policy." However, after the sponsors of the motion changed their "motion" into a "proposal," the KMT department in the "Legislative Yuan" expressed its "concurrence." We hope the KMT will hold itself responsible to the country and the nation, firmly stop such an activity that goes against the "One China" principle and undermines mainland-Taiwan relations, and proceed to do more practical things that can promote the development of mainland-Taiwan relations and early national reunification.

Customs Spokesman Comments on Seized Freighter

OW0607110191 Beijing XINHUA Domestic Service
in Chinese 0825 GMT 6 Jul 91

[Text] Beijing, 6 Jul (XINHUA)—A spokesman of the General Administration of Customs spoke today about the incident in which six members of our Xiamen customs were intercepted and taken to Taiwan by Taiwanese Navy vessels when they were seizing a smuggling ship on 13 June.

The spokesman said: On 13 June when a Panama-registered ship, the "Eagle King," was unloading smuggled cigarettes onto a mainland fishing boat in the Taiwan Strait, it was seized by an antismuggling boat, No. 802, of the Xiamen customs. The Taiwan military authorities, after receiving a false report by the "Eagle King" alleging that it was being looted by pirates, dispatched naval vessels to the spot. They took the "Eagle King" and six Xiamen customs officers, who were on board carrying out their antismuggling duty, to the Taizhong [Taichung] port. Twenty-two crew members of the "Eagle King" were taken by the Xiamen customs' antismuggling boat No. 802 to Xiamen for investigation.

After the incident, our department immediately contacted the Taiwan authorities and asked them to promptly send back the six customs officers and to hand over to Xiamen customs the "Eagle King" and all crew members and cargo on board so that they could conduct an investigation and handle the matter according to law. The Taiwan authorities concerned confirmed that the "Eagle King" did engage in smuggling cigarettes in the Taiwan Haixia and that what our customs personnel did was their normal antismuggling duty. They sent back the six Xiamen customs officers on 18 June, and we appreciate this; however, the Taiwan authorities have, for one reason or another, detained the "Eagle King" together with its five crew members and cargo at Taizhong port and have so far failed to hand them over to Xiamen customs. We express deep concern over this.

In recent years, smugglers have conducted frantic smuggling activities in the Taiwan Haixia by taking advantage of the abnormal state of relations between the two sides. These activities have seriously disrupted economic order on the mainland and hurt vital interests of the people on both sides. Our customs has achieved remarkable results in dealing serious blows at smuggling on the seas by taking effective measures based on the "Customs Law of the People's Republic of China" and the "Criminal Law of the People's Republic of China." To achieve greater success in this work, we have repeatedly called for cooperation between the pertinent departments of the two sides in striking at the smuggling activities in the strait. The "13 June" incident has once again testified to the necessity and urgency of cooperation between the two sides in dealing blows to smuggling. It has also provided an opportunity for such cooperation. In our opinion, delay by the Taiwan authorities concerned in handing the "Eagle King," its crew members, and cargo over the Xiamen customs will objectively encourage smuggling, adversely affect cooperation between the two sides in striking at smuggling in the strait, and hurt the common interests of the people of both sides. We hope that the Taiwan authorities will proceed from the cardinal consideration of relations between the two sides and, through specific discussions and arrangements by the pertinent departments of the two sides, hand over to Xiamen customs the "Eagle King" and its crew members and cargo for investigation and treatment to show their

sincerity in maintaining normal order in the Taiwan Haixia and in cooperating to strike at the crime of smuggling.

Taiwan SEF Delegation Arrives in Mainland

*OW0507092291 Beijing XINHUA in English
0740 GMT 5 Jul 91*

[Text] Guangzhou, July 5 (XINHUA)—A Taiwan delegation, sent by the Foundation for Exchanges Across the Taiwan Strait (FEATS) [SEF], arrived in Guangzhou from Hong Kong this afternoon for a second tour of China's mainland.

The nine-person group, headed by deputy secretary general of FEATS Shih Chiping [Shi Qiping], were met at the airport by Zhao Qihua, deputy general manager of China Travel Service, and dozens of journalists from the mainland, Hong Kong and Taiwan.

Shih said at the airport that their 10-day trip will cover Guangzhou, Xiamen, Fuzhou and Shanghai. They will visit Taiwan Affairs Offices of local governments, and departments of trade and tourism in these cities.

The Taiwan guests will stay for two days in Guangzhou, visiting the Huanghuagang cemetery of the 72 martyrs, and the Guangzhou economic and technological development areas.

The group arrived here by a plane of the Civil Aviation Administration of China.

A FEATS group visited the mainland last April.

Holds Talks in Guangdong

*OW0707222691 Beijing Central People's Radio
in Mandarin to Taiwan 0400 GMT 7 Jul 91*

[Text] Yesterday morning, (Jiang Yuanmin), deputy secretary general of the Guangdong Provincial Government; Cheng Tianfu and (He Kaipo), director and deputy director of the provincial Taiwan affairs office; and other relevant officials began the first round of talks with the delegation headed by Shi Qiping of the Straits Exchange Foundation [SEF] from Taiwan Province in the Smile Hall of the Garden City Hotel in Guangzhou. This is the second trip by the SEF's mainland visiting group.

After the talks, (He Kaipo), deputy director of the Guangdong provincial Taiwan affairs office, and Shi Qiping, deputy secretary general of the SEF, briefed reporters on the talks.

(He Kaipo) said that after hearing briefings by Shi Qiping on the SEF's basic situation and on issues awaiting discussion, Deputy Secretary General (Jiang Yuanmin) stressed: In our talks with the SEF visiting group, we will abide by principles elaborated by Tang Shubei, deputy director of the Taiwan Affairs Office under the State Council, on handling specific issues relating to exchanges between the two sides of the strait,

made during his meeting with Chen Changwen [SEF secretary general] in Beijing.

During the talks, (Jiang) also briefed the SEF group on the basic situation of opening and reform in Guangdong Province and on personnel contacts, exchanges between Guangdong and Taiwan, and Taiwan-funded enterprises in Guangdong. He expressed the hope that the SEF would make concrete efforts to promote bidirectional and direct exchanges between Guangdong and Taiwan. (Jiang) held that people on both sides of the strait urgently want direct exchanges and that the matter of direct exchanges is urgent. It is not appropriate to set up man-made barriers for direct exchanges and relegate them to the distant future.

(He Kaipo) said that during the talks Deputy Secretary General (Jiang Yuanmin) talked about the status of indirect investment in Guangdong by Taiwan businessmen. Jiang said Taiwan businessmen have invested in and set up some 900 enterprises and plants in our province, 700 of which have begun operations. Total negotiated investment is about \$1 billion. Production at most Taiwan-funded enterprises is normal, and business operations and economic impact are generally good. Over 90 percent of those Taiwan-funded enterprises in the profit-taking stage are earning profits. Because they are able to recoup their investment within established time limits, more and more Taiwan businessmen are continuously demanding permission to increase investment capital and extend the term of their business operations. This reflects their investment confidence.

(Jiang) pointed out however that at the moment economic and trade exchanges between the two sides of the strait remain indirect. Taiwan businessmen are unable to invest or trade directly on the mainland. Exports of mainland commodities to Taiwan are also subject to restrictions. This seriously hinders economic and trade development between the two sides of the strait and compounds inconveniences for Taiwan businessmen. One problem still extant in exchanges between the two sides of the strait is inequality in personnel contacts. Some 100,000 Taiwan compatriots have visited their relatives in Guangdong in the last several years, whereas only 700 from Guangdong have visited Taiwan as of this May.

During the talks, (Jiang) also articulated opinions on different attitudes adopted by Guangdong and Taiwan toward one another's fishermen. In the last five years, Guangdong has received some 30,000 fishermen from Taiwan who were either operating along the Guangdong coast, sheltering from typhoons, or seeking logistical supplies or medical assistance. We offered them all kinds of assistance. In contrast, relevant Taiwan departments adopted very unfriendly or even hostile attitudes toward mainland fishermen; they fired upon or shelled mainland fishermen operating normally at sea. Four Guangdong fishing boats have been hit; nine were confiscated. Five fishermen have been wounded. These kinds of extremely inhumane incidents should not continue.

Meets Guangzhou Officials

OW0807133091 Beijing Central People's Radio
in Mandarin to Taiwan 1500 GMT 7 Jul 91

[By He Duanduan; from the "News" program]

[Text] A delegation to the mainland from the Straits Exchange Foundation [SEF] called on the Guangzhou City government on the morning of 7 July. (Cao Zhenwei), secretary general of the Guangzhou City government, and Mr. (Lin Daying) and Mr. (Zhou Yuehai), director and deputy director, respectively, of the city's Taiwan Affairs Office, exchanged views with Mr. Shi Qiping and all members of the delegation on subjects of common interest, such as economic exchange, trade, tourism, and personnel contacts between the two sides.

After this, Mr. (Zhou Yuehai) briefed this reporter on the talks. He said the following:

In the beginning of the talks, Secretary General (Cao Zhenwei) briefed Mr. Shi Qiping and his party on the investment environment and the development of tourism in Guangzhou City. Among other things, he particularly pointed out that most enterprises with Taiwan investment have yielded fairly good economic returns; however, since the two sides have no direct trade, shipments of raw materials and products have to go through a third place, resulting in increased costs. Similarly, tourism between the two sides through a third place has many disadvantages. For example, disputes over travel agents' delinquent payments are often hard to resolve properly because the tourist organizations of the two sides cannot make direct contacts. There are many more such examples.

Mr. (Lin Daying) spoke on mail delivery between the two sides. Since October 1989, letters from Guangzhou to Taiwan can be put in airmail pouches and sent to Taipei through Hong Kong. Over 10 million letters have thus far been sent to Taiwan this way. Last year alone, there were 4 million such letters. From January to May this year, the number of such letters totaled 2.6 million. Letters from Taiwan to Guangzhou are delivered via a third place to Shanghai and then from Shanghai to Guangzhou. Last year saw 700,000 letters from Taiwan to Guangzhou, and the number for January to May this year was 380,000. Such indirect mail has played a certain role in promoting communications and consultations between the people of the two sides. Taiwan's recent decision to open registered airmail service between the two sides is worthy of applause, but indirect mail is expensive and time-consuming. An ordinary letter takes about one-half month to reach its destination, while a parcel requires one or two months.

Mr. (Cao) cited some figures to show that exchange between the two sides has not been developed on an equitable basis. For example, 8,200 Taiwan compatriots have come to Guangzhou to visit their relatives, while only 180 Guangzhou people have visited Taiwan. Moreover, there have been 70 exchange projects for which

people of various circles in Taiwan have come to Guangzhou, but so far there has been no exchange project for which Guangzhou people have visited Taiwan.

Mr. (Lin Daying) said that Guangzhou City can send a women soccer team, a youth acrobatic troupe, and a puppet troupe, and a Guangdong opera ensemble to Taiwan. He hoped that the Taiwan side would receive them without any political conditions.

To effectively maintain public order, both sides should take practical and coordinated measures. The Guangzhou City Public Security Bureau seized two smuggling ships from Taiwan, (Heyunxing) and (Jinduanfu), on 12 and 13 June, respectively. In addition, some Taiwan compatriots secretly carried pornographic books, pictures, and videotapes into our city. Others committed swindling and engaged in buying and selling duty-free bills of lading in the guise of conducting economic activities. All these problems need direct contacts between the pertinent departments of the two sides so that solutions may be worked out through consultations.

In view of the above, Secretary General (Cao) said the urgent task for the two sides is to realize the three direct links [direct mail, trade, and air and shipping services] and two-way exchange. He expressed the hope that SEF will make efforts for this.

Mainland, Taiwan Scientists Hold Symposium

OW0507172391 Beijing XINHUA Domestic Service
in Chinese 0642 GMT 3 Jul 91

[By Chen Rongfa (7115 2837 4099)]

[Text] Hangzhou, 3 Jul (XINHUA)—A "Symposium on Physical and Chemical Oceanography in China's Surrounding Waters," jointly initiated by Professor Su Jilan of the State Oceanography Bureau, Professor Zhuang Wensi of the Institute of Oceanography of National Taiwan University, and Professor Xue Ya of Florida State University in the United States, was held in Hangzhou from 25 to 29 June.

This marked the first time that a nongovernmental academic meeting on oceanography was held on the mainland by oceanographers of Chinese origin. Twenty-two professors and scholars from the Institute of Oceanography of National Taiwan University, National Taiwan Ocean University, and College of Sea-Ocean Science of National Sun Yat-Sen University in Kaohsiung; three Chinese oceanographers from the United States; and over 60 specialists and professors from the Chinese Academy of Sciences, some colleges and universities, and the State Oceanography Bureau in Mainland China attended the symposium.

In the past few years, oceanographic circles on the two sides of the strait and in foreign countries did a large volume of work studying the Japan current, which flows

near China's territorial waters, tributaries, and warm currents of the South China Sea, and warm currents of Taiwan, as well as studying the environment and geochemistry of this maritime region. The study had a tremendous bearing on the region's climate, environment, and resource development, and was very valuable scientifically; however, for a long time, the two sides of the strait could only carry out surveys in their respective waters, and this affected their attempt to gain a general understanding of the subject. At the symposium, over 70 theses were presented. The two sides supplemented each other's deficiencies and came to understand each other's work. The scholars also discussed some academic subjects enthusiastically and expressed their viewpoints without reserve. The goal of conducting academic exchanges was thus achieved.

During the symposium, the participants viewed the magnificent sight of the Qiantang bore. The Zhejiang Association for Science and Technology also invited Chinese scientists from Taiwan and the United States to take part in friendly activities with the province's scientists.

Scholars attending the symposium unanimously agreed that the academic exchange was a good beginning and asked that this type of meeting be continued. After joint discussions, they decided to hold a second meeting in Xiamen in 1993, and they hoped to hold a third in Taipei in 1995. The scholars also unanimously agreed on ways to exchange academic periodicals and information and possible fields of joint surveys between the two sides of the strait. At the symposium, mainland scientists also warmly welcomed Taiwan scholars to conduct joint oceanographic surveys in the mainland.

Li Teng-hui Hopes for Eventual Reunification

OW0607164791 Taipei CNA in English 1543 GMT
6 Jul 91

[Text] Taipei, July 6 (CNA)—President Li Teng-hui said Saturday he believes the day of China's unification will eventually come and the Taiwan experience created by the Republic of China on the island will be the beacon that guides China's future course.

"A free, democratic, prosperous, and unified China is not only an indispensable link of world peace, but is also the shared hope of all Chinese people," Li stressed in his address to the American Chamber of Commerce in Taipei and the American University Club.

Reaffirming the Republic of China's determination to seek the unification of China, the president said: "The essence of Chinese nationalism has always condemned any behavior seeking to divide our country."

"It is our hope that, after an appropriate period of forthright exchange, cooperation, and consultation, the two sides of the Taiwan Strait can, under the principle of reason, peace, parity and reciprocity, effect a gradual reduction of hostilities...and eventually achieve in measured phases the goal of unification," he said.

During the process, Li urged, the two sides of the strait should "foster a consensus of democracy, freedom, and equal prosperity; abandon ideological entanglements; (and) work together for the well-being of the entire Chinese people."

"This road of unification ahead of us is long, and our task is arduous one," the president pointed out, adding "we have not set a timetable for this task, but there is no doubt that the Taiwan experience will play a key role in the process."

Expressing strong confidence in the Republic of China's future, Li noted that "in the Taiwan area, economy has continued to grow steadily, and active efforts are being made in the areas of constitutional reform and cultural renaissance."

"With full confidence, we are marching briskly toward our goal of modernization," he said.

Turning to the other side of the strait, Li said the Chinese Communist authorities have attempted to initiate and engage in programs of reform and revision, but they are still unable to resolve the ever-deteriorating problems derived from the communist institutions."

Therefore, he suggested that "the time has come to make a rational examination of the successes and failures of the respective systems on both sides of the Taiwan Strait and seek out a new path for the future of the entire Chinese nation."

Foreign Minister on Planned UN Application

OW0607105391 Taipei CHINA POST in English
4 Jul 91 p 12

[Text] Foreign Minister Chien Fu yesterday said in the Legislative Yuan that his ministry will certainly submit an application on behalf of the ROC [Republic of China] government to reenter the United Nations when it is able to secure "a considerable number" of votes from U.N. members.

The remark was a response to the interpellation of Legislator Lu Hsiu-yi of the opposition Democratic Progressive Party (DPP), who criticized Chien's ministry as taking a passive attitude concerning a legislative resolution last month that urges the government to resume its U.N. membership.

Chien stressed that "developing foreign ties, and seeking diplomatic relations in the international community," as urged by the resolution, have always been the ministry's aims.

The ministry did not pressure Legislator Huang Chu-wen, who introduced the resolution, to revise its content, but only provided an analysis about the probability that the U.N. would grant membership to the ROC under present circumstances.

Huang decided to alter the time in the resolution as to when the ROC should reenter the U.N., changing "immediately" to "at the appropriate time."

The ministry had advised the Legislative Yuan that any application for U.N. membership should be recommended by the U.N.'s Security Council before it is presented to the U.N.'s plenary session for a ballot.

However any council member can veto such an application, and with mainland China being one of them, the ROC does not seem to stand a chance, according to the ministry.

Besides, any applicant if recommended should secure two thirds of favorable votes from U.N. members to obtain a seat in the U.N.

Currently the ROC maintains diplomatic relations with only 22 out of the 159 countries in the U.N., which is less than 15 percent, according to the ministry.

Meanwhile when asked about future development of relations with Seoul, Chien told legislators that he "does not dare make an optimistic judgment."

However he refused to comment on whether or not the government has taken any action to protect the NT\$4 billion worth of government property in Seoul.

The report that both South and North Koreas will apply to enter the U.N. at the same time in September prompted domestic concerns that Seoul would switch its recognition to Beijing soon.

ROC assets would be transferred to mainland authorities under the government's one China policy should Seoul decide to sever its formal ties with Taipei.

Foreign Ministry Hopes for U.S. GATT Support

OW0607163691 Taipei China Broadcasting Corporation News Network in Mandarin 2300 GMT 4 Jul 91

[By Chuang Hui-hsun]

[Text] Commenting on a statement by a U.S. Trade Representative's Office official that the U.S. Government will send a letter to Congress within the week in support of the Republic of China's [ROC] application for GATT membership, a Foreign Ministry official has pointed out that although the ROC does not have definite news, it can be inferred from various indicators that in the next few days the U.S. Government is indeed very likely to express its support for the ROC's bid for expedited GATT membership.

The official said that as soon as the U.S. Congress resumes its session next week, following its Fourth of July recess, it will begin the debate on renewing MFN trade status for Communist China. Therefore, it is very likely that the U.S. Government will make a decision this week on helping the ROC get into GATT in exchange for congressional support for MFN status.

In his analysis of the situation, the Foreign Ministry official said: Because it is afraid of offending Communist China on account of the Gulf crisis, the United States has dared not voice its support, even after stalling for a long time.

Times have changed, however. Now it is Communist China that needs help from the United States. In order to maintain MFN status, Communist China will perhaps have to accept the decision by the United States on supporting the ROC's application for GATT membership. As far as the U.S. Government is concerned, it is easier to support the ROC's GATT membership bid than to ask Communist China to release detained prodemocracy movement activists or to prohibit Communist China from engaging in nuclear arms proliferation, both conditions suggested by the Congress. And as far as Communist China is concerned, this condition is also the easiest to accept.

Once the United States openly offers its support, other major countries, as well as the medium-sized and small countries, will be even more willing to clearly express their opinions. If this happens, the GATT's secretariat would definitely respond, perhaps by establishing an examination group.

SEF Delegation Departs for Mainland Visit

OW0507101991 Taipei CNA in English 0754 GMT 5 Jul 91

[Text] Taipei, July 5 (CNA)—Nine members of the government-sponsored Straits Exchange Foundation (SEF) staff left Friday for an 11-day visit to mainland China.

The group, headed by SEF's Deputy Secretary-General Shih Chi-ping, will visit Canton, Xiamen, Fuchow and Shanghai to seek ways for resolving issues that arise from increasing cross-straits trade and tourist exchanges.

Shih said prior to his departure that the four coastal southeastern mainland cities are believed to house a number of Taiwan-invested ventures. The delegation will meet with Taiwan businessmen there in order to better understand their operations and difficulties, he added.

SEF sent its first delegation to visit mainland China in April. During that visit, SEF managed to establish communication channels with Peking authorities to facilitate cross-straits exchanges.

Arrives in Guangdong

OW0607120291 Taipei CNA in English 0811 GMT 6 Jul 91

[Text] Taipei, July 6 (CNA)—Nine members of the government-sponsored Straits Exchange Foundation (SEF) staff arrived in Canton yesterday afternoon to begin their 11-day mainland visit, according to a report from the coastal southeastern mainland city.

SEF Deputy Secretary-General Shih Chi-ping, leader of the group, said upon his arrival at the Pai Yun Airport on the outskirts of Canton that his mission wants to exchange views with mainland authorities on "matters of mutual concern," particularly those related to trade and tourism.

Shortly after leaving the airport, the group visited the cemetery outside Canton of the 72 revolutionary martyrs of Huanghuakang who lost their lives on March 29, 1911 in an uprising to overthrow the Ching Dynasty.

Starting today, the mission will meet with local mainland tourist and trade officials and with Taiwan businessmen who have opened production lines there.

The group will also visit Hsiamen, Fuchow and Shanghai to seek ways to promote cross-straits exchanges and to resolve issues arising from such comings and goings.

SEF sent its first group to visit mainland China in April. During that visit, SEF managed to establish communication channels with Beijing authorities to facilitate cross-straits exchanges.

Travel Permits Issued to Five Mainland Reporters

*OW0607111091 Taipei CNA in English 0807 GMT
6 Jul 91*

[Text] Taipei, July 6 (CNA)—The Bureau of Exit and Entry will issue travel permits to the five mainland Chinese reporters whom the government information office has permitted visit Taiwan, a senior official announced Saturday.

Liu Peng-chun, bureau deputy commissioner, said the travel permits will be valid for three months.

The five mainland journalists are Zheng Ming of the CHINA YOUTH DAILY NEWS [ZHONGGUO QING-NIAN BAO], to be hosted by the INDEPENDENCE MORNING POST; Zhou Yu-ming of the Wen Hui-pao, a guest of the Dan Ching Publishing Co.; Hu Ke-ning and Zhong Jien-feng of the Zhan Jiang television station to come at the invitation of the TA MING DAILY NEWS; and Li Liang of the ENVIRONMENTAL DAILY NEWS [ZHONGGUO HUANJING BAO] to be hosted by the New Environment Foundation.

The government, in order to promote cultural exchanges across the Taiwan Straits, has eased restrictions on mainland media workers who wish to visit Taiwan.

Mainland newsmen are no longer required to declare they have withdrawn from the Chinese Communist Party, nor are they required to submit itineraries for their trips here. They will be free to cover any events or to interview any people here as long as the interviewees agree to the interviews.

Premier Hau Po-tsun said Thursday he hoped mainland journalists could visit here as soon as possible so they can help mainland people better understand Taiwan's current situation.

More Indirect Investment Projects Approved

*OW0707175591 Taipei China Broadcasting Corporation News Network in Mandarin 2300 GMT
6 Jul 91*

[Text] Yesterday [6 July], the Reviewing Committee for Investment in the Ministry of Economic Affairs held a routine meeting to examine investment applications by various factories and businessmen. Several medium-sized and small enterprises have applied for permission to make indirect investments in the mainland. These cases were discussed at the meeting. Five applications for indirect investment in the mainland were approved at the meeting.

(Kao Hsin-yang), executive secretary of the committee, said: Application for making indirect investments in the mainland by medium-sized and small enterprises through normal channels is gratifying. He hoped that the trend would continue.

Yesterday the committee approved 44 applications for overseas investments, investment by foreign and overseas Chinese businessmen, and technological cooperation projects. Of those cases, five involved indirect investment by businessmen in the mainland.

This was the first time that five such cases were approved in one day. The Ministry of Economic Affairs only opened conditional indirect investment in the mainland by factories and businessmen in October last year. Besides, these were medium-sized and small enterprises. This trend is worthy of notice and observation.

New Guangdong Council To Promote Academic Ties

*OW0507134291 Taipei CNA in English 0855 GMT
5 Jul 91*

[Text] Taipei, July 5 (CNA)—The GUANGZHOU DAILY [GUANGZHOU RIBAO] reported Friday that an organization called "Council for Study of Taiwan" was established in Guangzhou City Thursday to promote academic exchanges with Taiwan.

The report said Yang Li, a vice chairman of the Standing Committee of the Guangdong provincial people's congress, and Zhang Tuo, director of the Guangdong provincial Institute of Social Science, were appointed honorary chairman and chairman of the council respectively.

Guo Rongchang, deputy secretary of the Guangdong provincial committee, and some 100 representatives of provincial organizations handling Taiwan affairs attended Thursday a ceremony marking the inauguration of the council, the report said.

Diplomatic Relations Reestablished With CAR

*OW0807174891 Taipei CNA in English 1526 GMT
8 Jul 91*

[Text] Taipei, July 8 (CNA)—The Republic of China and the Central African Republic [CAR] Monday resumed diplomatic relations suspended 15 years ago, in a development seen as another breakthrough for Taipei's "pragmatic diplomacy."

Foreign Minister Fredrick Chien made the announcement in a press conference after he signed a joint communique on the resumption of formal ties with his Central African counterpart Laurent Gomina-Pampail on behalf of their respective governments.

"Full diplomatic relations between the Republic of China and the Central African Republic were re-established today based on the principles of equality and reciprocity and our strong desire to develop friendly relations with each other," Chien said.

According to the joint communique, the two countries agreed to exchange ambassadors as soon as possible. "We will re-establish our embassy in Bangui in the near future," Chien told the press conference.

The Republic of China will offer technical assistance to help Central African Republic develop its rich natural resources and will also encourage private enterprises to invest in that country, he said.

Chien said he believed the resumption of relations, made possible by a series of talks begun last year, and future cooperation between the two countries "will benefit the both sides."

The central African country, with an area of 620,000 square kilometers and a population of 3 million, established diplomatic relations with the Republic of China twice in 1962 and 1968, but then switched recognition from Taipei to Peking in 1964 and 1976.

Bangui still maintains its diplomatic ties with Peking, which claims to be the sole legitimate government of China and has severed formal relations with all countries that recognized the governments on the both sides of the Taiwan Strait.

Asked if his country would sever diplomatic ties with Peking, Gomina-Pampali said he sees no reason to do so. But he stressed that the Central African Republic does not need other countries' consent to its decision to resume ties with the Republic of China.

The Republic of China is now recognized by 29 countries, seven of them established or resumed diplomatic relations with Taipei in the past two years since the country adopted a pragmatic diplomatic policy, under which it does not rule out building relations with countries recognizing peking.

Besides the Central African Republic, the six others are Grenada, Liberia, Belize, Lesotho, Guinea-Bissau and Nicaragua. Peking severed ties with all of the six afterwards.

Normalization of Trade With Kuwait Anticipated

*OW0607165191 Taipei CNA in English 1531 GMT
6 Jul 91*

[Text] Taipei, July 6 (CNA)—Trade relations between the Republic of China and Kuwait are expected to return to normal gradually as the Middle East state is recovering from the devastating Gulf war, trade promoters here said Saturday.

According to the officials with the China External Trade Development Council (CETRA), a semi-official trade promotion organization, the Kuwaiti Government will lift remittance limits in early August following the end of the state of siege in late June. The move, coming a year after the Iraqi invasion of the [word indistinct] country in last August, will pave the way for the Republic of China to resume trade with Kuwait, which has virtually come to a stop after the Gulf crisis broke out, they said.

Kuwait was the Republic of China's second largest trading partner in the Middle East, next only to Saudi Arabia.

Last year, two-way trade totaled some 460 million U.S. dollars with the Republic of China importing 360 million U.S. dollars worth of goods and exporting products valued at 90 million U.S. dollars.

The Gulf state was also one of the country's most important sources of oil supply. After the crisis erupted, the country was forced to turn to other oil suppliers.

Taiwan Studying Policy Toward Hong Kong, Macao

*OW0707151391 Taipei China Broadcasting Corporation News Network in Mandarin 2300 GMT
6 Jul 91*

[Text] Ma Ying-chiu, vice chairman of the Mainland Affairs Council under the Executive Yuan, and (Li Wei-lien), head of the Hong Kong and Macao Departments of the council, yesterday pointed out respectively that the Government is studying revising short, medium and long-term policies for Hong Kong and Macao.

According to the plan, our country's organizations in Hong Kong will definitely not withdraw from Hong Kong after 1997. The main goal of policies for Hong Kong and Macao is to promote democracy, freedom, stability and prosperity in the Hong Kong and Macao regions.

Ma Ying-chiu said: At present the short-term plan for Hong Kong and Macao has been implemented. The medium-term plan is being revised by taking the opinions of various ministries and commissions into consideration. The position of Hong Kong in the plan must be determined according to the change of an objective environment near 1997. Ma Ying-chiu also said: Around 1994 or 1995, we shall be able to see the overall situation.

(Li Wei-lien) said: According to a plan for dealing with Hong Kong and Macao, the Government is preparing to expand contacts and liaison with civilian elite in Hong Kong and Macao. Some of our personnel stationed in Hong Kong and Macao will also be replaced or readjusted. Besides, our organizations in Hong Kong will not pull out after 1997. To cope with the policy of not withdrawing our organizations, we are making further efforts to set up the Taipei Information and Cultural Center there in addition to the Taipei World Trade Center which was set up in April.

Ma Ying-chiu and (Li Wei-lien) made the above remarks when they attended a meeting to discuss the influence of Hong Kong experience on Taiwan sponsored by the National Policy Research Center yesterday.

State-Run Companies Pursuing Soviet Barter Trade

*OW0807114891 Taipei CNA in English 0834 GMT
8 Jul 91*

[Text] Taipei, July 8 (CNA)—State-run enterprises are pursuing barter trade deals with the Soviet Union and the Soviet crude oil may be the first commodity traded, an official said Monday.

C.Y. Wang, executive director of the Commission of National Corporations, explained that state-run enterprises have begun negotiations with the Soviet counterparts through Central Trust of China, a government financial institution.

Wang said the negotiations are focusing on the financing, and the types, quantity and quality of the raw materials to be bartered.

The goods in which Taiwan is interested include crude oil, raw steel, steel plate and raw salt.

The Chinese Petroleum Corp. (CPC) remarked, however, that it was uncertain whether refining facilities here could process the Soviet crude oil. Only if both price and quality were right, could CPC consider importing Soviet crude.

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